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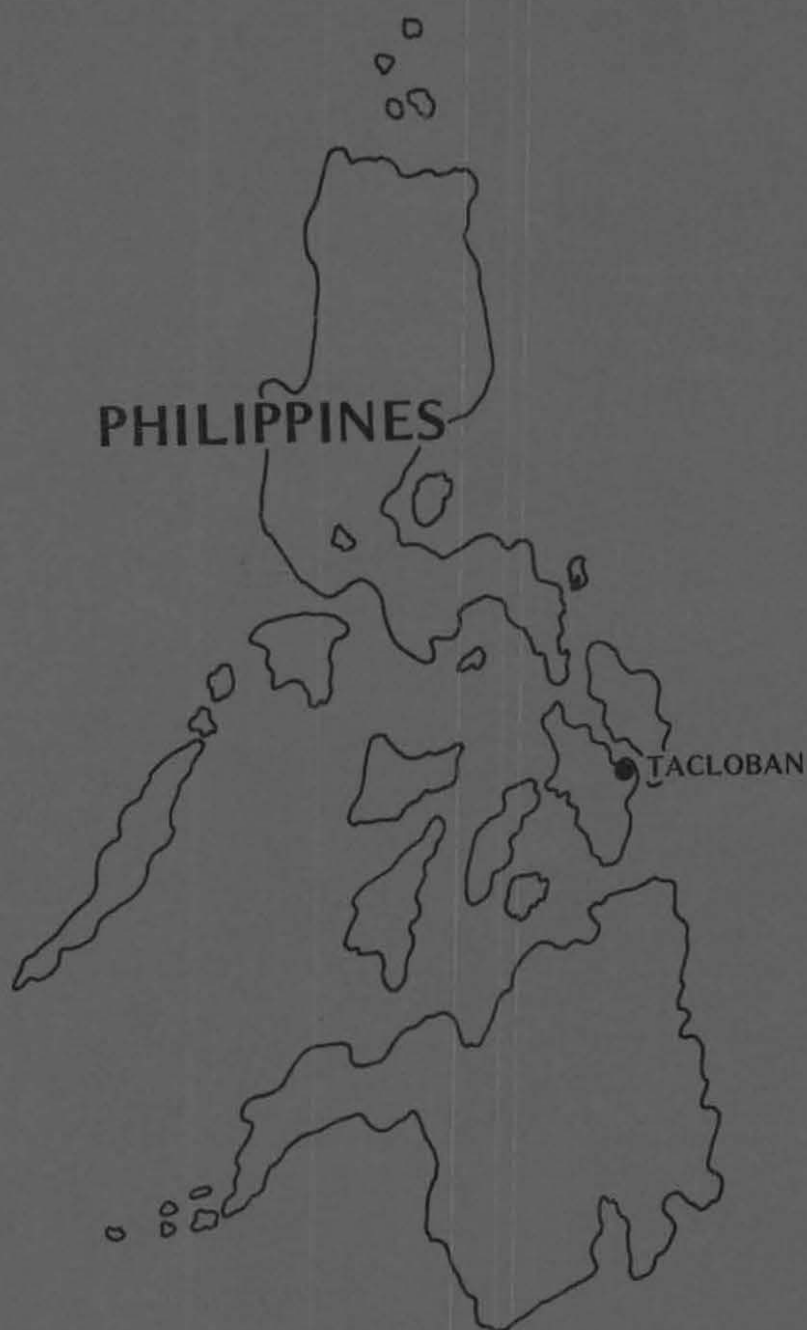
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SMALL-SCALE INDUSTRY GRANT



BASE LINE DATA — PHILIPPINES PROGRAM AREA

Grant Period: January 10, 1976 to January 9, 1977

A PROGRAM FUNDED BY THE U.S. AGENCY FOR
INTERNATIONAL DEVELOPMENT

BASE LINE DATA
REPUBLIC OF THE PHILIPPINES AND
THE EASTERN VISAYAS REGION (REGION VIII)

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BACKGROUND

Republic of the Philippines

Lying on the western side of the Pacific Ocean, the Republic of the Philippines is an archipelago of 7,100 islands, 44 million people, 67 provinces, 87 dialects, and a total estimated land area of 300,000 square kilometers.

Geography and history have made the Philippines a unique blend of oriental and occidental cultures. Once a part of the Shri-Vishayan and Madjapahit empires of Indonesia, the Philippines was discovered for the Western World by Ferdinand Magellan in 1521. Named after Philip II of Spain, it became a colony of that country until 1898, when authority over it was lost to the United States as a result of the Treaty of Paris which ended the Spanish-American War.

Under U. S. interim management, the Philippines achieved a measure of self-government with the granting of "commonwealth" status from 1935 to 1945. In 1946, the commonwealth ended and the Republic of the Philippines came into existence as a sovereign and independent state. From 1972 until the present, the country has been placed under martial rule under the leadership of President Ferdinand Marcos.

Politically, the country's 67 provinces are divided into 1,423 municipalities, 59 cities, and 21 municipal districts. The municipalities, in turn, are divided into barrios. The capital of the Philippines is Quezon City, which is adjacent to Manila, the country's metropolitan city.

Institute for Small-Scale Industries

The University of the Philippines' Institute for Small-Scale Industries (UP-ISSI) is a Philippine national agency and an integral part of the University of the Philippines System. Established in 1966, UP-ISSI is charged with the promotion of the development of the Philippine small-industry sector, and its activities are directed to research, training, consultancy, and extension services. UP-ISSI is particularly concerned with the social advancement of the Philippine rural areas through appropriate industrial development. The organization maintains continuing and active professional linkages with international development organizations.

In 1974, UP-ISSI established a contractual linkage with the Georgia Institute of Technology (GIT) through support of the U. S. Agency for International

Development. This liaison is directed to the support of mutual and useful professional interaction between the two institutions.

In early 1976, a further and concurrent technical assistance support contract was funded by USAID in behalf of UP-ISSI and GIT. This Small Industry Grant (SIG) enables support of an UP-ISSI industrial extension activity in the Eastern Visayas Region. This base line study is intended to serve the requirements of this SIG activity.

Technical Assistance to the Eastern Visayas Region (Region VIII)

The target area of assistance of the UP-ISSI Extension Office at Tacloban City is the whole of Region VIII, comprising Leyte, Southern Leyte, Eastern Samar, Western Samar, and Northern Samar (see Map 1). The total area of this region is 21,431.7 square kilometers, with a population of 2,585,797 as of the 1975 census. This region has been listed by the government as one of the priority areas for development.

The purpose of the extension office is to undertake the following types of services:

- o Extension Services

- general information; handouts and reports
- general management consultancy
- direct plant assistance
- project feasibility studies
- industry and entrepreneurship promotion on the regional level

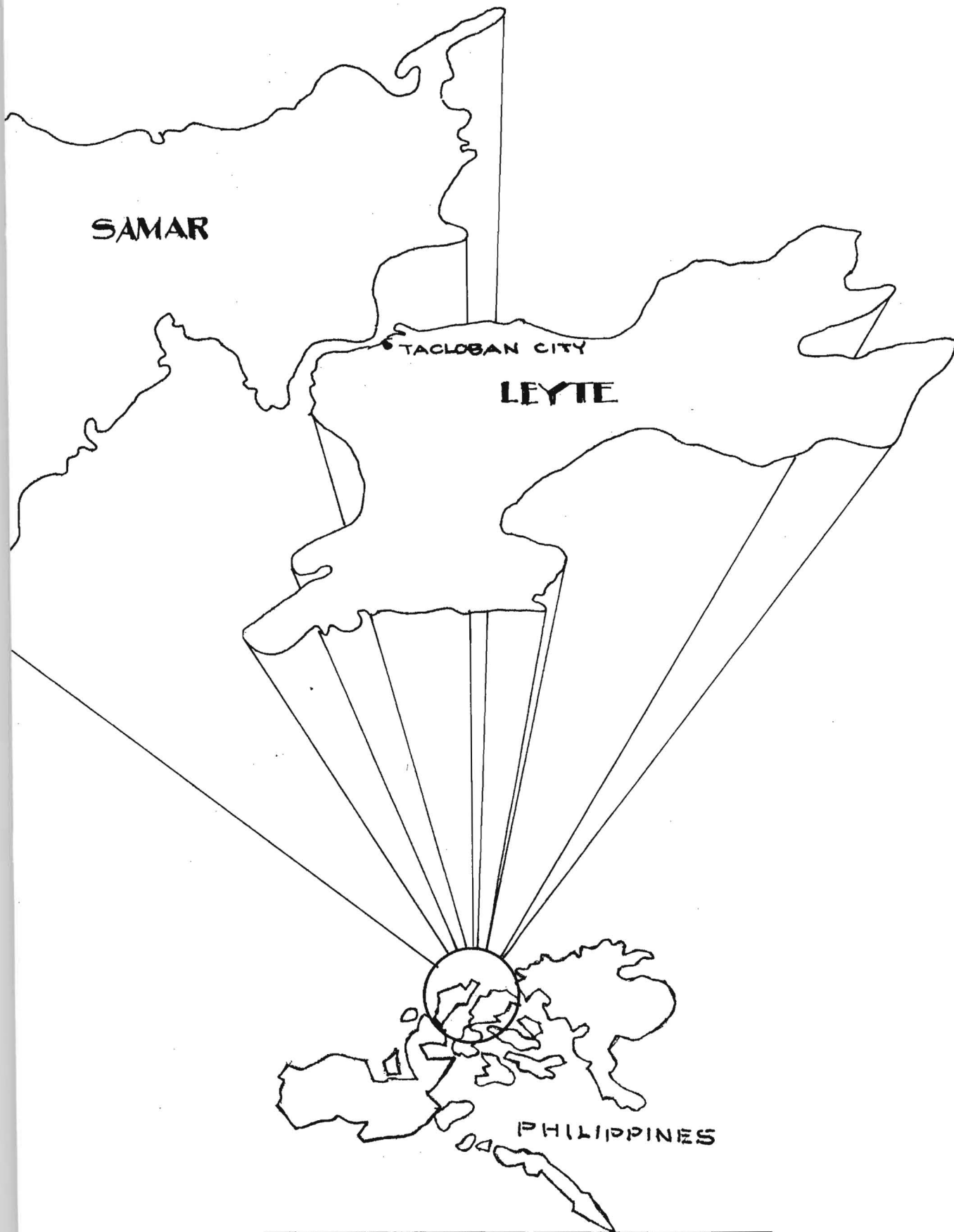
- o Training

- management and technical courses
- seminars on selected industries
- seminars on entrepreneurship

- o Research

- provincial surveys
- industry profiles/studies
- product research studies

As envisioned, the extension services will comprise the main activity of the office, with training and research to be largely supportive functions.



Map - 1
EASTERN VISAYAS

Initially, the industrial extension service area will be concentrated in Northern Leyte, which in 1975 accounted for 46% of the total regional population and 62% of the total number of manufacturing firms in the region.

Industrial technical assistance during the initial year of the extension office will be concentrated in Tacloban City (1975 population 78,436), the capital town of Northern Leyte, and within a 60 kilometer radius. Based on initial surveys, small-scale industries are concentrated in this area, and it is the hub of commercial activity in the region. The other urban centers of the region will be the focus of industrial extension work for the second and third years of the project. These areas are Ormoc City (population 89,686), Baybay (population 66,596), Maasin (population 54,117), Catbalogan (population 52,244), Calbayog (population 102,121), and Catarman (population 52,010).

NATIONAL BASE LINE DATA

Manufacturing

Table 1 summarizes the basic manufacturing data for the Republic of the Philippines for 1973. Identified by three-digit International Standard Industrial Classification (ISIC), the industry segments of the Philippines' economy are broken down by employment volume categories to show number of establishments, number of employees, gross output in thousands of pesos, and value added by manufacture in thousands of pesos. The national manufacturing data in Table 1 are based on preliminary figures from the National Census and Statistics Office.

Population and Employment

Estimated total population for the Republic of the Philippines and detailed information on national employment and unemployment are displayed in Table 2. Persons 10 years old and over are accounted for as being not economically active, unemployed, or employed by specific industry group. Data for Table 2 are from the 1975 Statistical Yearbook compiled by the National Economic and Development Authority.

Table 1
REPUBLIC OF THE PHILIPPINES
SUMMARY OF BASIC MANUFACTURING DATA
(by employment volume)
1973

<u>ISIC No.</u>		<u>No. of Establishments</u>	<u>No. of Employees (Average for the year)</u>	<u>Gross Output (₱1000)</u>	<u>Value Added (₱1000)</u>
311	FOOD MANUFACTURING	3,581	99,493	7,870,897	2,647,535
	1) below 20	3,173	24,765	308,848	89,499
	2) 20-49	200	5,744	312,508	42,798
	3) 50-99	76	5,368	797,319	78,762
	4) 100-199	45	6,286	1,204,309	158,377
	5) 200-499	39	13,260	2,317,880	500,940
	6) 500 and over	48	44,070	2,930,033	1,777,159
312	OTHER FOOD MANUFACTURE	183	18,150	1,339,170	382,602
	1) below 20	112	908	14,882	5,655
	2) 20-49	35	1,141	108,898	47,988
	3) 50-99	8	606	90,775	9,132
	4) 100-199	6	761	94,708	50,027
	5) 200-499	5	1,452	268,138	71,196
	6) 500 and over	17	13,282	761,769	198,604
313	BEVERAGE INDUSTRIES	118	17,734	1,249,970	643,164
	1) below 20	42	349	4,245	1,587
	2) 20-49	26	907	36,262	9,250
	3) 50-99	9	695	40,923	12,487
	4) 100-199	7	1,080	56,459	25,513
	5) 200-499	25	7,898	439,141	212,135
	6) 500 and over	9	6,805	672,940	382,192

ISIC No.		No. of Establishments	No. of Employees (Average for the year)	Gross Output (₹1000)	Value Added (₹1000)
314	TOBACCO MANUFACTURE	48	22,283	1,506,433	536,762
	1) below 20	3	77	709	250
	2) 20-49	9	259	7,502	2,313
	3) 50-99	6	447	27,456	2,617
	4) 100-199	9	1,377	37,469	10,011
	5) 200-499	11	3,076	116,929	58,206
	6) 500 and over	10	17,047	1,316,368	463,365
321	MANUFACTURE OF TEXTILES	567	84,907	2,618,654	950,135
	1) below 20	324	3,076	35,121	12,572
	2) 20-49	81	2,428	83,691	21,478
	3) 50-99	55	3,763	151,671	49,407
	4) 100-199	33	4,512	206,933	43,958
	5) 200-499	32	10,947	446,118	138,843
	6) 500 and over	42	60,181	1,695,120	683,877
322	MANUFACTURE OF WEARING APPAREL	3,003	33,484	282,037	116,927
	1) below 20	2,830	19,674	89,024	53,455
	2) 20-49	115	3,464	62,692	18,816
	3) 50-99	32	1,950	32,144	9,506
	4) 100-199	8	1,230	27,617	2,881
	5) 200-499	8	2,243	15,951	2,347
	6) 500 and over	10	4,923	54,609	29,922
323	MANUFACTURE-PRODUCTS OF LEATHER	78	2,205	56,231	17,581
	1) below 20	50	553	5,607	1,935
	2) 20-49	17	531	13,538	4,466
	3) 50-99	5	315	6,396	2,524
	4) 100-199	6	806	30,690	8,656
324	FOOTWEAR	604	8,766	72,282	26,627
	1) below 20	500	4,858	32,250	13,694
	2) 20-49	55	2,327	25,527	8,315

<u>ISIC No.</u>	<u>No. of Establishments</u>	<u>No. of Employees (Average for the year)</u>	<u>Gross Output (₹1000)</u>	<u>Value Added (₹1000)</u>
3) 50-99	44	1,257	11,251	3,712
4) 100-199	5	324	3,254	906
331 WOOD AND WOODWORK PRODUCTS EXCEPT FURNITURE	796	47,658	1,186,719	526,732
1) below 20	498	4,815	31,358	41,147
2) 20-49	151	4,767	131,441	50,651
3) 50-99	68	4,782	158,888	47,258
4) 100-199	25	3,588	118,686	57,652
5) 200-499	18	6,312	120,741	53,491
6) 500 and over	36	23,394	625,605	276,533
332 MANUFACTURE OF FURNITURE AND FIXTURES EXCEPT PRIMARILY OF METAL	793	15,158	204,136	82,880
1) below 20	585	4,178	48,564	18,133
2) 20-49	105	6,427	92,048	39,557
3) 50-99	75	2,200	30,429	11,395
4) 100-199	19	1,246	18,198	7,177
5) 200-499	9	1,107	14,897	6,618
341 PAPER & PAPER PRODUCTS	138	12,842	1,063,883	319,602
1) below 20	50	1,267	10,584	2,964
2) 20-49	39	1,177	88,058	17,305
3) 50-99	16	1,193	93,465	21,720
4) 100-199	13	1,754	116,168	33,214
5) 200-499	9	2,679	283,300	98,053
6) 500 and over	11	4,772	472,308	146,346
342 PRINTING, PUBLISHING AND ALLIED INDUSTRIES	569	16,503	504,918	216,626
1) below 20	381	3,931	52,148	26,511
2) 20-49	121	3,841	99,216	39,452
3) 50-99	35	2,396	68,614	27,873
4) 100-199	14	1,941	48,780	28,748

<u>ISIC No.</u>		<u>No. of Establishments</u>	<u>No. of Employees (Average for the year)</u>	<u>Gross Output (₹1000)</u>	<u>Value Added (₹1000)</u>
	5) 200-499	8	2,329	152,592	55,489
	6) 500 and over	10	2,065	83,568	38,553
351	MANUFACTURE OF INDUSTRIAL CHEMICALS	80	7,773	1,346,508	539,342
	1) below 20	19	224	9,554	2,214
	2) 20-49	23	763	136,817	51,798
	3) 50-99	14	920	53,797	20,207
	4) 100-199	9	1,185	95,243	37,890
	5) 200-499	10	3,220	282,691	129,633
	6) 500 and over	5	1,461	768,406	297,600
352	MANUFACTURE OF OTHER CHEMICAL PRODUCTS	175	20,510	1,952,624	799,254
	1) below 20	36	443	15,108	35,820
	2) 20-49	50	1,647	120,853	43,644
	3) 50-99	38	2,792	251,190	89,205
	4) 100-199	23	3,166	290,613	86,455
	5) 200-499	12	3,779	237,872	112,083
	6) 500 and over	16	8,683	1,036,988	432,047
353	PETROLEUM REFINERIES	4	974	2,445,238	803,152
354	MANUFACTURE OF MISCELLANEOUS PRODUCTS OF PETROLEUM & COAL	7	213	74,642	19,558
355	MANUFACTURE OF RUBBER PRODUCTS	141	12,839	563,495	216,537
	1) below 20	60	629	11,642	5,737
	2) 20-49	36	1,073	37,292	14,343
	3) 50-99	13	903	22,041	9,061
	4) 100-199	14	2,069	53,959	20,456
	5) 200-499	10	3,270	235,642	96,647
	6) 500 and over	8	4,895	202,919	70,293

ISIC No.		No. of Establishments	No. of Employees (Average for the year)	Gross Output (₹1000)	Value Added (₹1000)
356	MANUFACTURE OF PLASTICS PRODUCTS	150	10,501	341,545	113,759
	1) below 20	50	728	17,040	4,791
	2) 20-49	43	1,393	66,566	18,343
	3) 50-99	31	2,299	91,823	31,280
	4) 100-199	19	2,735	73,559	28,624
	5) 200-499	4	1,194	28,576	8,415
	6) 500 and over	3	2,152	63,981	22,306
361	MANUFACTURE OF POTTERY, CHINA EARTHENWARE	29	696	8,861	3,917
	1) below 20	26	238	1,961	902
	2) 100-199	3	458	6,900	3,015
362	MANUFACTURE OF GLASS AND GLASS PRODUCTS	31	6,615	333,005	177,896
	1) below 20	11	112	2,535	8,734
	2) 20-49	10	330	12,352	3,487
	3) 200-499	3	1,165	33,809	14,391
	4) 500 and over	7	5,008	284,309	151,284
369	MANUFACTURE OF OTHER NON- METALLIC PRODUCTS	478	18,788	717,608	316,929
	1) below 20	376	3,381	41,329	18,374
	2) 20-49	46	1,402	23,052	10,271
	3) 50-99	23	1,636	40,317	20,601
	4) 100-199	6	798	16,223	6,492
	5) 200-499	20	6,290	419,067	196,639
	6) 500 and over	7	5,281	177,620	64,552
371	IRON & STEEL BASIC PRODUCTS	88	13,049	1,668,112	482,661
	1) below 20	20	251	7,970	2,274
	2) 20-49	10	310	13,721	2,990

ISIC No.	No. of Establishments	No. of Employees (Average for the year)	Gross Output (₱1000)	Value Added (₱1000)
	3) 50-99	24	1,746	158,190
	4) 100-199	19	2,647	304,837
	5) 200-499	6	1,651	231,366
	6) 500 and over	9	6,444	952,028
372	NONFERROUS METAL BASIC INDUSTRIES	29	1,475	131,520
	1) below 20	12	146	4,846
	2) 20-49	14	406	12,076
	3) 200-499	3	923	114,598
381	MANUFACTURE OF FABRICATED METAL PRODUCTS EXCEPT MACHINERY & EQUIPMENT	633	21,431	1,136,758
	1) below 20	432	3,305	56,540
	2) 20-49	105	3,146	109,281
	3) 50-99	46	3,167	240,740
	4) 100-199	27	4,035	352,759
	5) 200-499	13	4,110	245,741
	6) 500 and over	10	3,668	131,697
382	MANUFACTURE OF MACHINERY AND EQUIPMENT EXCEPT ELECTRICAL	302	11,202	333,384
	1) below 20	192	1,943	25,585
	2) 20-49	65	1,987	41,024
	3) 50-99	23	1,713	48,447
	4) 100-199	10	1,393	31,961
	5) 200-499	7	2,604	127,745
	6) 500 and over	5	1,562	58,622
383	MANUFACTURE OF ELECTRICAL MACHI- NERY APPARATUS, APPLIANCES & SUPPLIES	161	17,270	818,554
	1) below 20	54	668	13,107
	2) 20-49	50	1,548	62,985

<u>ISIC No.</u>		<u>No. of Establishments</u>	<u>No. of Employees (Average for the year)</u>	<u>Gross Output (₦1000)</u>	<u>Value Added (₦1000)</u>
	3) 50-99	18	1,331	58,326	21,014
	4) 100-199	17	2,405	147,962	54,119
	5) 200-499	10	3,015	179,690	65,744
	6) 500 and over	12	8,303	356,484	145,889
384	MANUFACTURE OF TRANSPORT EQUIPMENT	193	13,899	1,177,737	303,104
	1) below 20	105	931	8,819	3,449
	2) 20-49	45	1,487	78,049	20,881
	3) 50-99	18	1,259	69,122	18,479
	4) 100-199	8	1,160	53,095	17,246
	5) 200-499	7	2,486	262,545	58,208
	6) 500 and over	10	6,576	706,107	184,841
385	MANUFACTURE OF PROFESSIONAL & SCIENTIFIC & MEASURING & CONTROLLING EQUIPMENT AND PHOTO AND OPTICAL GOODS	18	715	11,298	5,459
	1) below 20	8	77	1,294	531
	2) 20-49	7	194	2,554	1,377
	3) 100-199	3	444	7,450	3,551
390	OTHER MANUFACTURING INDUSTRIES	168	3,337	63,335	28,043
	1) below 20	120	1,191	8,873	4,958
	2) 20-49	32	1,069	19,940	10,766
	3) 50-99	16	1,077	34,522	12,319

Source: National Census and Statistics Office (preliminary figures).

Table 2
 REPUBLIC OF THE PHILIPPINES
 POPULATION AND EMPLOYMENT
 (in thousands)
 1973

Total Estimated Population		40,380 ^{a/}
Persons 10 Years Old and Over		27,774
Employed by Major Industry Group		
Agriculture, Forestry, Hunting, and Fishing	7,766	
Mining and Quarrying	51	
Construction	350	
Manufacturing	1,396	
Electricity, Gas, Water, and Sanitary Services	37	
Commerce	1,537	
Transport, Storage, and Communications	504	
Government, Community Business, and Recreation Services	1,198	
Domestic Services	725	
Personal Services Other than Domestic	271	
Industry Not Reported	<u>30</u>	
Total Employed		13,865
Unemployed		694
Economically Not Active		13,215
Unemployment Rate -- Philippines		4.8%
Urban		8.0%
Rural		3.3%

^{a/} 1970 Census: 36,590,000.

Source: National Economic and Development Authority, Statistical Yearbook, 1975.

REGIONAL BASE LINE DATA

Population and Employment

Population and employment statistics for the Eastern Visayas Region (Region VIII) of the Philippines are detailed in Table 3. Based on 1970 data from the National Census and Statistics Office, the breakdown includes total population, household population 10 years old and over, and a further refinement of the latter by categories of those that are economically active and those that are not economically active. The employed segment of the economically active population is broken down by employment category.

Employment Establishments

In 1975, there were 21,709 establishments of all employment categories in Region VIII, with more than half located in Leyte. By far the greatest number of establishments were in the service category of Wholesale and Retail Trade, Restaurants and Hotels, and this predominance held in each province of the region. Table 4 details the distribution of places of employment by province and major employment category in 1975 as reported by the National Census and Statistics Office (NCSO).

Manufacturing

The National Census and Statistics Office reported that in 1975 there was a total of 2,280 establishments in Region VIII engaged in manufacturing and 16 in mining and quarrying. Of the 2,280 manufacturing establishments, 1,422 are found in Leyte, 288 in Southern Leyte, 240 in Western Samar, 127 in Eastern Samar, and 203 in Northern Samar.

In Region VIII, manufacturing is concerned primarily with the processing of goods for domestic consumption. The beverage and food industries produced 80.3% of the manufacturing output in 1967. However, its contribution decreased to less than 53% in 1973 as intermediate goods and some capital goods were also produced in the region. This is shown in Table 5. Chemical and chemical products industries shared 11% of total production, while metallic products had 9.9% in 1973. As the table illustrates, the range of products in the region is narrow, and most of the industries are of the consumer goods type.

Table 3

POPULATION AND EMPLOYMENT STATISTICS
EASTERN VISAYAS REGION (REGION VIII)
1970

	<u>Total</u>	<u>Leyte</u>	<u>Southern Leyte</u>	<u>Eastern Samar</u>	<u>Western Samar</u>	<u>Northern Samar</u>
Total Population ^{1/}	2,381,409	1,110,626	251,425	271,000	442,244	306,114
Household Population 10 Years Old and Over	1,606,494	755,518	171,499	185,575	294,332	199,570
Economically Active*	842,250	388,092	77,076	100,707	165,216	111,159
Employed	779,714	357,280	70,928	92,870	156,152	102,484
Unemployed	62,536	30,812	6,148	7,837	9,064	8,675
Not Economically Active	762,617	366,599	94,113	84,790	128,726	88,389
Housekeepers	398,583	194,654	52,484	41,403	66,309	43,733
Students	76,451	34,154	8,231	13,621	13,965	6,480
Others	287,583	137,791	33,398	29,766	48,452	38,176
Not Stated	1,627	827	310	78	390	22
*Economically Active						
Agriculture, Hunting, Forestry, and Fishing	574,507	255,187	48,647	74,198	115,848	80,627
Mining and Quarrying	1,445	249	25	301	743	127
Manufacturing	62,309	30,344	5,830	5,203	13,441	7,491
Electricity, Gas, Water, and Sanitary Services	1,315	675	179	102	253	106
Construction	19,510	10,040	2,165	1,833	2,982	2,490
Commerce	37,723	20,020	4,308	3,060	6,065	4,270
Transport, Communication, and Storage	16,146	8,885	1,801	1,228	2,926	1,306
Services	86,589	41,406	9,697	9,644	16,356	9,486
Activities not adequately described	9,100	4,803	1,005	1,050	1,515	727
Looking for work the first time	<u>33,628</u>	<u>16,483</u>	<u>3,419</u>	<u>4,110</u>	<u>5,087</u>	<u>4,529</u>
Total	842,272	388,092	77,076	100,729	165,216	111,159

^{1/} Projected 1973 population for the region: 2,450,000.

Source: National Census and Statistics Office, Philippines, NEDA.

Table 4

DISTRIBUTION OF ALL ESTABLISHMENTS BY PROVINCE
AND MAJOR EMPLOYMENT CATEGORY, REGION VIII
(1975)

Major Employment Category	Number of Establishments					Region VIII
	<u>Leyte</u>	<u>Southern Leyte</u>	<u>Samar</u>	<u>Eastern Samar</u>	<u>Northern Samar</u>	
Agriculture, Forestry, Hunting, and Fishing	276	10	85	22	129	522
Mining and Quarrying	3	-	1	-	12	16
Manufacturing	1,422	288	240	127	203	2,280
Electricity, Gas, and Water	10	4	9	1	1	25
Construction	2	1	3	-	-	6
Wholesale and Retail Trade, Restaurants and Hotels	9,398	2,387	2,044	1,422	1,661	16,912
Transport, Storage, and Communications	393	83	114	54	166	810
Financing, Insurance, Real Estate, and Business Services	68	10	10	2	5	95
Community Social, Recreational	<u>587</u>	<u>106</u>	<u>165</u>	<u>47</u>	<u>138</u>	<u>1,043</u>
Total Number of Establishments	12,159	2,889	2,671	1,675	2,315	21,709

Source: National Census and Statistics Office (NCSO).

Table 5
MANUFACTURING OUTPUT BY INDUSTRIAL CLASSIFICATION
REGION VIII: 1967 AND 1973

Industry Category	1967		1973	
	Pesos (000)	Percent of Total	Pesos (000)	Percent of Total
Food and beverages	49,000	80.3	48,000	52.6
Tobacco	-		3,000	3.3
Textiles, footwear, and related products	1,000	1.6	5,000	5.5
Wood and wood products	-		7,000	7.7
Paper and paper products	-		100	.1
Chemicals and chemical products	-		10,000	11.0
Petroleum, coal, and related products	-		1,000	1.1
Metallics	-		9,000	9.9
Electrical machinery	-		1,000	1.1
Nonmetallics	-		1,000	1.1
Others	<u>11,000</u>	<u>18.1</u>	<u>6,000</u>	<u>6.6</u>
Total	61,000	100.0	91,100	100.0

Source: National Income Accounts (1967-1973), National Economic and Development Authority.

Cottage Industries

According to a report of the National Cottage Industry Development Authority, cottage industries in the Eastern Visayas Region (Region VIII) are increasing in terms of number, capitalization, employment, and sales. In 1975, approximately 70% of the more than ₱1.5 million in cottage industry sales in the region was concentrated in the woodcraft, food preservation, and metalcraft industries. Table 6 summarizes the value of sales of registered cottage industries in Region VIII in 1975.

Table 6

VALUE OF SALES OF REGISTERED COTTAGE INDUSTRIES
EASTERN VISAYAS REGION (REGION VIII)
1975

<u>Type of Industry</u>	<u>Sales (pesos)</u>	<u>Percent of Total</u>
Woodcraft	502,300	32.6
Food Preservation	308,064	20.0
Metalcraft	271,245	17.6
Ceramics	146,900	9.6
Shellcraft	66,000	4.3
Poultry and Piggery	55,550	3.6
Hand Tool	38,000	2.5
Bamboocraft	34,300	2.2
Dressmaking	24,500	1.6
Related Craft	30,050	2.0
Mat Weaving	11,150	.7
Fibercraft	5,950	.4
Other Industries	<u>44,000</u>	<u>2.9</u>
Total	1,538,009	100.0

Source: National Cottage Industry Development Authority (NCIDA),
Eastern Visayas Region (EVRI).

In the ten-year period from 1963 to 1973, 4,006 cottage industries were registered with NACIDA EVRI with 11,912 workers and a total capitalization of almost ₱2.2 million. (See Table 7.) Almost 60% of the total number of registered industries were located in Leyte. The distribution of workers follows a pattern similar to the distribution of cottage industries, with Leyte accounting for more than 61% of the total cottage industry workers in the region.

Table 7
NUMBER AND SIZE OF REGISTERED COTTAGE INDUSTRIES
REGION VIII: 1963-1973

<u>Province</u>	<u>Number of Registered Industries</u>	<u>Percent Distribution</u>	<u>Capitalization</u>	<u>Number of Workers</u>
Leyte	2,398	59.86	₱1,165,859.11	7,322
Western Samar	734	18.32	365,070.50	2,429
Southern Leyte	378	9.44	296,608.94	974
Eastern Samar	255	6.36	174,159.65	496
Northern Samar	<u>241</u>	<u>6.06</u>	<u>156,957.65</u>	<u>691</u>
Total	4,006	100.0	₱2,154,655.85	11,912

Source: National Cottage Industry Development Authority (NCIDA), Eastern Visayas Region (EVRI).

Within the province of Leyte, 1,350 cottage industries were registered with the National Cottage Industry Development Authority as of June 30, 1975. (See Table 8.) Although the greatest number of firms are concentrated in mat weaving, needlecraft, and loom weaving, the greatest capitalization is represented by the woodcraft and tailoring industries. More than 60% of the cottage industry workers in Leyte are employed in the mat weaving, needlecraft, woodcraft, fibercraft, and food preservation industries.

Large-Scale Industries

As of December 1975, the large-scale industries in Region VIII that were registered with the Philippine Board of Investment (BOI) employed a total of 2,474 workers, with a gross annual payroll of ₱9,716,000 and a total investment of ₱176,619,000. The employed workers are largely concentrated in Northern Leyte (45% or 1,110 persons), followed by Northern Samar (37% or 925 persons).

Large-scale projects in Region VIII that were registered with the Board of Investment in December 1975 are listed in Table 9. Existing large

Table 8
COTTAGE INDUSTRIES IN LEYTE REGISTERED WITH THE
NATIONAL COTTAGE INDUSTRY DEVELOPMENT AUTHORITY
(June 30, 1975)

<u>Industry</u>	<u>Number of Firms Registered</u>	<u>Total Capitalization</u>	<u>Total Number of Workers</u>
Bamboo/Rattan Craft	61	₱ 17,101	172
Ceramics	74	52,364	230
Dressmaking	39	78,562	96
Fibercraft	91	43,314	387
Food Preservation	91	78,064	380
Hat Weaving	19	2,970	72
Home Cigar Making	1	195	4
Loom Weaving	133	25,100	259
Mat Weaving	302	41,491	779
Metalcraft	58	72,039	130
Needlecraft	157	76,927	443
Other Related Craft	111	31,347	281
Woodcraft	125	122,483	408
Small Agricultural Hand Tools	7	3,289	24
Shellcraft	2	5,300	10
Tailoring	77	118,420	225
Toyecraft	<u>2</u>	<u>224</u>	<u>2</u>
Total	1,350	₱769,190	3,902

Source: Socio-Economic Profile, Leyte Development Staff, Tacloban City.

Table 9
PROJECTS IN REGION VIII REGISTERED WITH
THE BOARD OF INVESTMENT (BOI)
(December 1975)

<u>Name of Firm</u>	<u>Project/Activity</u>	<u>Plant Location</u>
1. Samarland Coco-products Corporation	Coconut Oil	San Jose, Northern Samar
2. Samar Lumber, Inc.	Lumber	Bo. Salvacion, Batag Island, Northern Samar
3. United Timber Export Company, Inc.	Lumber	Borongan, Eastern Samar
4. Pacific Mineral & Petroleum Corp.	Abaca Pulp and paper	Dulag, Leyter
5. Inco Mining Corp.	Magnetite	Tolosa, Leyter del Norte
6. Marinduque Mining and Industrial Corp.	Pyrite	Bagacay, Hinabangan, Western Samar
7. Marinduque Mining and Industrial Corporation	Copper Concentrate	Bagacay, Hinabangan, Western Samar
8. *Southern Leyte Oil	Coconut Oil	Sogod, Southern Leyte

* Project approved but not yet registered under Republic Act 5186.

Source: BOI Tables of Registered Establishments.

industries in the Eastern Visayas Region were identified by the National Economic and Development Authority in 1976 and are listed in Table 10.

Manufacturing Trends

Although the number of large manufacturing establishments in Region VIII actually decreased between 1967 and 1972, both total employment and total wages and salaries in the large-industry segment continued to increase. The number of small industries in the region, on the other hand, increased substantially (31.7%) during the period.

Table 11 details the number of large and small manufacturing establishments and the percent of increase or decrease in each during the 1967-1972 period for the Philippines as a whole, for Region VIII, and for each province in the region. Table 12 presents data on total employment and wages and salaries of large manufacturing establishments in 1967 and 1972 for the country, region, and individual provinces of the region.

Table 10
EXISTING LARGE INDUSTRIES
IN THE EASTERN VISAYAS REGION

<u>Name of Industry</u>	<u>Nature of Industry</u>	<u>Address</u>
1. Samar Development Corp.	Logs and Timber	San Isidro, N. Samar
2. San Joaquin Lumber Mills, Inc.	Logs and Timber	Las Navas, E. Samar
3. United Timber Export Co., Inc.	Logs and Timber	San Julian, E. Samar
4. German B. Areñez	Logs and Timber	Marabut, W. Samar
5. Basey Wood Industries Inc.	Logs and Timber	Basey, W. Samar
6. PAVA Logging Company, Inc.	Logs and Timber	Hinabangan, W. Samar
7. Looc Bay Timber Corp.	Logs and Timber	San Isidro, N. Samar
8. San Jose Timber Corp.	Logs and Timber	Las Navas, N. Samar
9. Dolores Timber, Inc.	Logs and Timber	Las Navas, N. Samar
10. Philippine Associate Contractors Ind., Inc.	Logs and Timber	Las Navas, N. Samar
11. Universal Metal Industries, Inc.	Logs and Timber	Mondragon, N. Samar
12. Clarita C. Aucente	Logs and Timber	San Isidro, N. Samar
13. Marinduque Mining & Industrial Corp.	Copper Concentrates	Hinabangan, W. Samar
14. National Investment & Development Corp.	Crude Coconut Oil and Copra Pellets	Tanauan, Leyte
15. International Nickel Company Mining	Magnetic Iron Concentrates	Tolosa, Leyte
16. Hilongos Development Corp.	Centrifugal Sugar and Molasses	Kananga, Leyte
17. Ormoc Sugar Central Corp.	Centrifugal Sugar and Molasses	Ormoc City, Leyte
18. Go He Fiber	Abaca Fiber	
19. FILMAG (phils.) Inc.	Bentonite	Merida, Leyte
20. BIOPHIL Inc.	Food Additives	Ormoc City, Leyte
21. Coca-Cola Bottling Co.	Soft Drinks	Tacloban City, Leyte
22. Pepsi-Cola Bottling Co.	Soft Drinks	Tanauan, Leyte

Note: Large industries as shown on this table are those whose total assets exceed ₱4 million.

Source: Socio-Economic Study, National Economic and Development Authority, 1976.

Table 11

NUMBER OF LARGE AND SMALL MANUFACTURING ESTABLISHMENTS
BY PROVINCE, REGION VIII: 1967 AND 1972

Area	Number of Establishments						Percent Increase (Decrease)		
	Total		Large		Small		Total	Large	Small
	1972	1967	1972	1967	1972	1967			
Philippines	67,528	45,007	4,476	3,989	63,052	41,018	50.0	12.2	53.7
Region VIII	2,025	1,552	53	55	1,972	1,497	30.5	(3.6)	31.7
Eastern Samar	167	119	4	3	163	116	40.3	33.3	40.5
Northern Samar	251	157	-	7	251	150	59.9	-	67.3
Northern Leyte	1,153	776	41	39	1,112	737	48.6	5.1	50.9
Southern Leyte	265	163	-	6	265	157	62.2	-	63.8
Western Samar	189	337	8	*	181	337	(43.9)	-	(46.3)

* Total added to Northern Samar.

Source: 1972 Census of Establishments, National Census and Statistics Office (NCSO).

Table 12

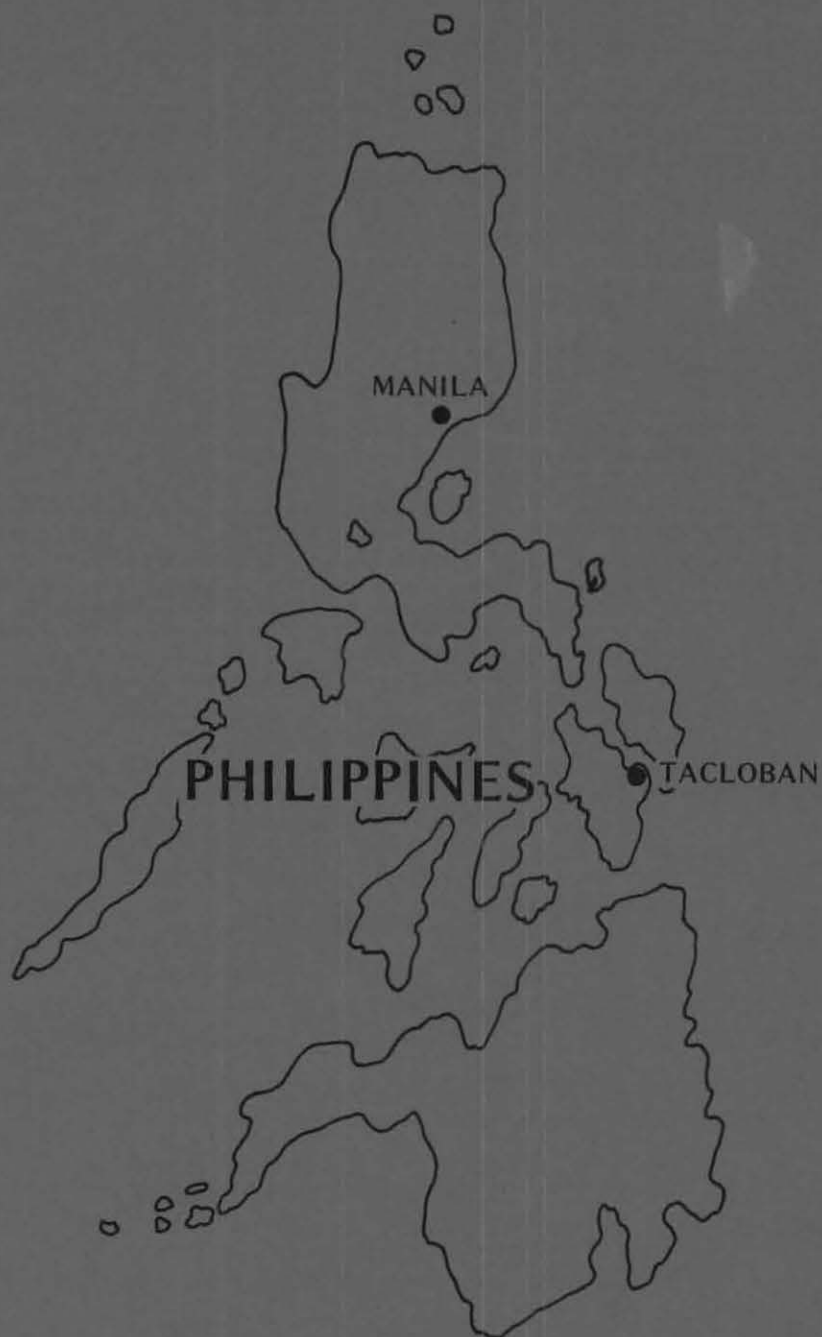
TOTAL EMPLOYMENT, WAGES, AND SALARIES OF LARGE MANUFACTURING ESTABLISHMENTS
BY PROVINCE, REGION VIII: 1967 AND 1972
(Wages and salaries in thousand pesos)

Area	Total Employment		Wages and Salaries		Percent Increase/ Decrease		Average per Establishment			
	1972 1967		1972 1967		Total Em- Wages/ ployment Salaries		Employment		Wages and Salaries	
	1972	1967	1972	1967			1972	1967	1972	1967
Philippines	429,186	369,565	1,698,922	1,039,659	16.1	63.4	96	93	380	261
Region VIII	2,567	2,261	8,909	5,041	13.53	76.73	50	40	177	78
Eastern Samar	213	164	915	274	29.9	233.9	53	55	229	91
Northern Samar	-	322	-	669	-	-	-	46	-	96
Northern Leyte	1,944	1,671	6,912	3,965	15.1	73.6	47	43	168	102
Southern Leyte	-	104	-	133	-	-	-	17	-	22
Western Samar	410	*	1,082	*	-	-	51	-	135	-

* Total added to Northern Samar.

Source: 1972 Census of Establishments, National Census and Statistics Office (NCSO).

SMALL-SCALE INDUSTRY GRANT YEAR I



UNIVERSITY OF THE PHILIPPINES
INSTITUTE FOR SMALL-SCALE INDUSTRIES ACTIVITIES

Grant Period: January 10, 1976 to January 9, 1977

A PROGRAM FUNDED BY THE U.S. AGENCY FOR
INTERNATIONAL DEVELOPMENT

FINAL REPORT
YEAR I

UNIVERSITY OF THE PHILIPPINES
INSTITUTE FOR SMALL-SCALE INDUSTRIES
SMALL-SCALE INDUSTRY GRANT

by
Herminia Fajardo
and
Donald E. Lodge

Contract No. AID/ta-c-1062

International Programs Division
Economic Development Laboratory
Engineering Experiment Station
GEORGIA INSTITUTE OF TECHNOLOGY
January 1977

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INTRODUCTION

On January 31, 1976, the Agency for International Development (AID) funded, for the third consecutive year, Contract No. AID/ta-c-1062, through which the Georgia Institute of Technology (GIT) was to make available \$45,000 grants for Small-Scale Industry Development Programs to four institutions of higher learning in different geographic regions of the world. Three of the four grants would be for the continuation of existing programs with counterparts selected in 1974 and 1975; the fourth grant would be for a new counterpart to be selected in 1976.

The grant for the new counterpart went to the University of the Philippines Institute for Small-Scale Industries (UP/ISSI) in Quezon City, Philippines. This document is the final or end-of-the-year report for the work jointly performed by the staff of UP/ISSI in the Philippines and GIT in Atlanta, Georgia.

When the grant was initiated in 1974, the administration of GIT and the sponsor established the following criteria for the selection of grantee institutions:

1. Suitability of the national macroeconomic framework for local business conditions.
2. Existence of practicing or potential entrepreneurs.
3. Community concern over unemployment.
4. Existence of potential markets for additional products.
5. Linkages (current or potential) with educational, financial, and business communities.
6. Quality of the staff.
7. The institution's potential for utilizing the grant effectively.
8. Potential multiplier effects.
9. Host government commitments.

At the end of the first year of this program, the following results are indicative of the work performed:

1. The baseline study of the region being served by the extension office of UP/ISSI has been completed and published.

2. The extension office in Tacloban was established, staffed, and made operational.

3. Fourteen technical assistance cases were generated during the year -- two from the public sector and 12 from the private sector. In addition, the extension office serviced 15 technical assistance inquiries and established coordination with seven agencies/organizations in the region.

4. The extension office designed and fabricated a feed mixer from a gasoline drum.

5. The audiovisual documentation for Year I of the program was completed.

6. Two members of the UP/ISSI staff visited the Technology and Development Institute of the East-West Center in Honolulu for related training and coordination activities.

7. Three members of the UP/ISSI staff visited the EDL facilities in Atlanta for training and program administration activities.

8. EDL staff members provided on-site training programs and program development consultation to the UP/ISSI staff during visits to the Philippines.

9. UP/ISSI and EDL jointly presented training programs, lectures, and seminars in the Philippines during the year. In addition, UP/ISSI provided orientation programs for the extension office staff.

10. Research concerning industrial opportunities in the region was conducted in cooperation with the Regional Industrial Development Executives Course of UP/ISSI.

11. A survey of the training needs of entrepreneurs located in Tacloban was conducted for use in planning future training programs.

PROGRAM PLANS FOR YEAR I

Background

The University of the Philippines Institute for Small-Scale Industries (UP-ISSI) has directed its efforts, since 1966, to the support of small-scale industry and entrepreneurial development in the Philippines and has concerned itself, particularly, with appropriate support for rural development.

In behalf of Philippine small-scale industry, the UP/ISSI activities have included management training, in-plant technical assistance support, entrepreneurial development, management and technical data development and dissemination, as well as the continuing and successful advancement of its own professional and executive capacities.

In August 1975, a request for assistance in the establishment of a pilot rural extension office for small and medium industries was made by UP/ISSI to the Economic Development Laboratory of the Georgia Institute of Technology. This widening of the ISSI professional capacities and, particularly, the intensification of its programs for direct rural development activity was in response to government executive directives to government operating agencies to intensify efforts for the establishment of appropriate industries in regions outside the Greater Manila area.

The beneficiaries of the successful Institute programs for the development of small and medium-scale industries had been limited largely to urban areas, essentially, to the Manila urban area. The inability of UP/ISSI to effectively reach rural areas resulted from a continuing lack of both manpower and budget resources.

The development of further Government of the Philippines support to permit UP/ISSI to widen and direct its capacities to rural objectives has been abetted by this grant and by the technical cooperation of the Georgia Institute of Technology.

For UP/ISSI, Mr. Paterno V. Vilorio has been designated counterpart Project Director. Mrs. Herminia R. Fajardo is counterpart Project Coordinator. Mr. Nelson Wall is Project Director for the Georgia Tech support activities to this program and Mr. Donald E. Lodge is the present Project Coordinator for Georgia Tech.

General Objective

As a pilot effort, UP/ISSI, with support from GIT, is to design and establish an extension office to accommodate industrial development needs within Region VIII (Eastern Visayas) of the Philippines. Region VIII covers the provinces of Northern Samar, Eastern Samar, Western Samar, Leyte, Southern Leyte, and the subprovince of Biliran.

With intent to closely adhere to the UP/ISSI performance standards at Quezon City (UP/ISSI principal office), the specific objectives of the extension office at Tacloban City, Leyte, are to include, as stipulated by Republic Act 6041:

1. To undertake the continuous conduct of consultancy, training courses, periodic seminars, and technical studies in the field of medium and small-scale industries, with emphasis on Philippine industries;
2. To undertake technical studies and research as requested by various government agencies concerned with industrial development, by interested private industries, and by others concerned with industry;
3. To undertake research studies for the promotion of small-scale industries;
4. To undertake the publication of studies, monographs, research papers, articles, and other written works on small and medium-scale industry, with emphasis on those related to the Institute's objectives, for distribution to government agencies, private industry, and other interested parties; and
5. To perform all other acts as may be necessary for the achievement of its objectives and functions in accordance with the rules and regulations of the University, including the granting of research awards, prizes, scholarships and fellowships.

In the performance of these functions, the extension office is to be fully directed and otherwise supported by the ISSI senior staff at Quezon City. The extension office staff will call upon the ISSI main office and its cooperating agencies for specialized and specific areas of assistance on a project-to-project basis as required.

Total Project Goals of the AID/ta-c-1062 Contract

At the start of the Small-Scale Industry Grant on January 23, 1974, the following total goals had been established by the Agency for International Development for the Georgia Tech grant, to be achieved over a period of four years:

The general objective of this contract is to generate employment in developing countries, particularly outside the metropolitan centers, by: (a) strengthening the capability of a selected institution in each country to provide effective technical assistance to local small industry, (b) demonstrating and documenting the impact of alternative approaches to technical assistance to small industry, and (c) infusing the governmental, industrial, and financial sectors of the local community selected to provide employment with an understanding of the techniques of generating jobs. The above objective will be carried out through the use of grants to selected Lesser Developed Country (LDC) organizations.

Once the total project goals are reached, the sponsor anticipates the following outputs:

1. Increased job opportunities in four countries.
2. Increased viability of indigenously owned enterprises.
3. Improved capability of four LDC institutions to serve small industry.
4. Tested methodologies for strengthening LDC institutions.
5. Evaluation reports on successes and failures in assisting small industry.

All the specific program objectives for Year I in the Philippines were met, plus several additional accomplishments which were listed in the introduction and which will be amplified in the balance of this final report. The meeting of these objectives supports the continuing establishment of project goals set forth by the AID/ta-c-1062 contract.

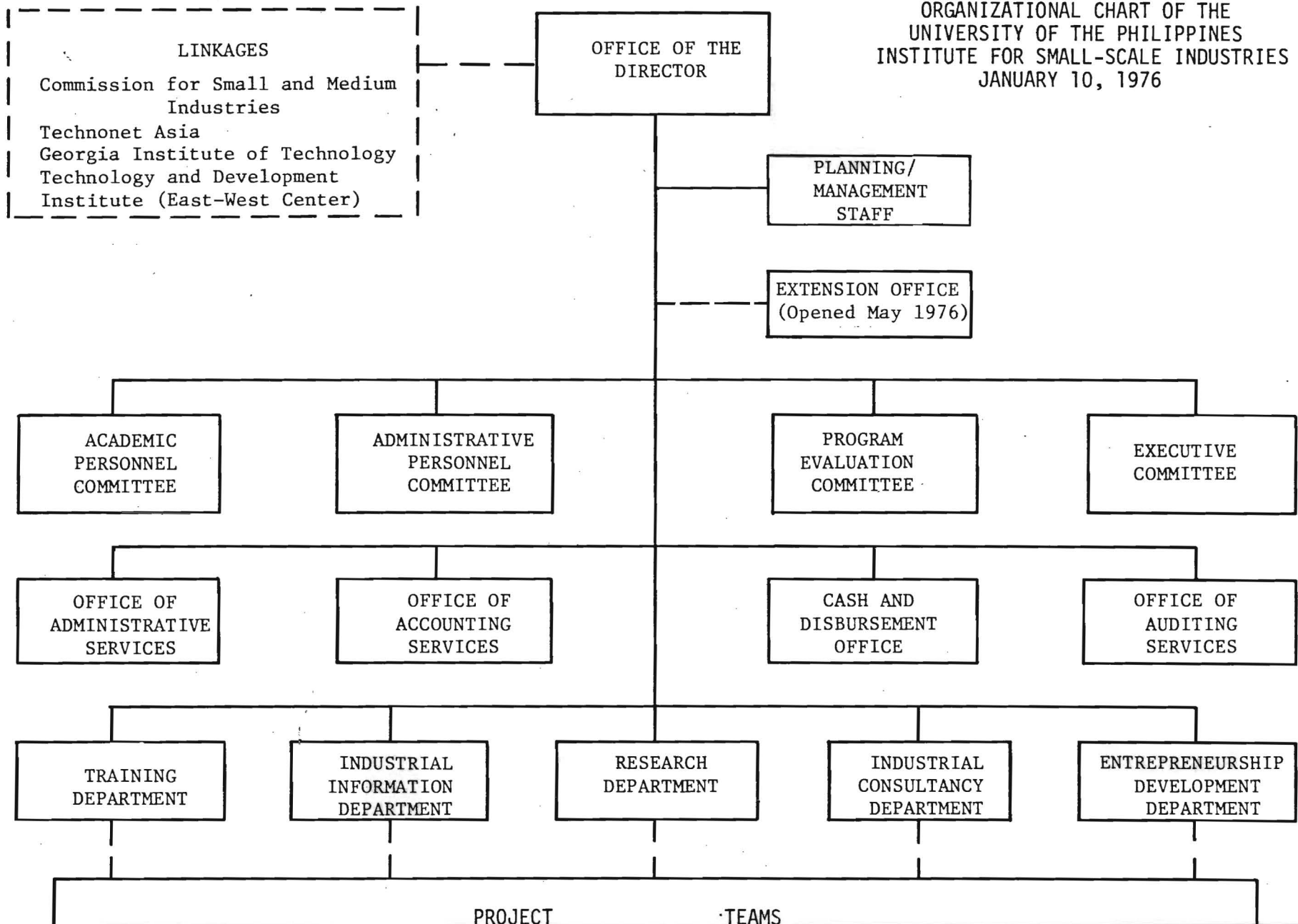
Program of Work

On the basis of the program of work which had been suggested in the original UP/ISSI proposal, the project administration established the following activities for the first program year, all of which were implemented:

1. Organization. On the basis of the existing organization at UP/ISSI (Figure 1), specific administrative units were to be designated to assume the responsibility for the portions of the program relating to research, service,

FIGURE 1

ORGANIZATIONAL CHART OF THE
UNIVERSITY OF THE PHILIPPINES
INSTITUTE FOR SMALL-SCALE INDUSTRIES
JANUARY 10, 1976



training, and technical information. All programs were to be oriented to serving the small-scale industries of the selected areas.

2. Staff and Physical Plant. Depending on the different program units, it was necessary to allocate appropriate staff office space and equipment to assure the logistical support necessary to the implementation of the program. The staff needed to be selected with the assurance that the candidates were interested, capable, and motivated to perform the required tasks.

3. Project Policy. The program required a multiple input-output system, but it had a basic theme -- stimulation of existing and new small-scale industries.

4. Program Areas. A program of work was designed to implement the following activities during the 12-month period:

a. Extension Office. Establishment of a pilot extension office within the campus facilities of the University of the Philippines, Tacloban City, Leyte, early in Year I. It is anticipated that the University of the Philippines, Leyte, will provide appropriate offices and other required work space for the lifetime of the project. (Figure 1 shows how the extension office fits into the UP/ISSI organizational framework.)

The rationale for the choice of Tacloban City as appropriate for the UP/ISSI pilot extension office is as follows:

(1) Tacloban City is the political, communications, and commercial center of Region VIII.

(2) A supportive branch of the University of the Philippines is located at Tacloban City (College at Tacloban).

(3) Philippine government planners have selected Region VIII as a priority area for development.

(4) The reception of the proposed extension office by both local government authorities and representatives of regional federal agency offices is positive and cooperative.

(5) Located at Tacloban City are former participants in the UP/ISSI (Quezon City) Entrepreneurship Development Program who are eager for further UP/ISSI contact and assistance.

- b. Training Activities. The extension office will provide:
- management and technical courses, both long and short-term
 - one seminar for selected industries
 - one seminar for entrepreneur development
- c. Research Activities. The extension office will undertake to carry out:
- a baseline study
 - provincial surveys
 - industrial profiles/studies
 - technological studies
 - product and process research
- d. Extension Services. The extension office will provide appropriate technical support in behalf of Region VIII small industry clients. These extension service activities will include:
- response to general inquiries via reports, relevant publications, and direct professional face-to-face response
 - general management consultancy for ongoing and developing small-scale enterprises management and technical assistance (in-plant) to provide support for the appropriate development and upgrading of plant processes and systems
 - project feasibility studies to stimulate the development of new enterprise
 - entrepreneur support to provide particular support to those interested in establishing new enterprises

Use of Grant Funds by UP/ISSI

For the 1976-1977 Grant Year (January 10, 1976-January 9, 1977), the grantee was funded in the amount of \$45,000. Disbursement was accomplished as follows:

	<u>UP/ISSI</u>	<u>GIT</u>	<u>TDI/E-W Center</u>	<u>Total</u>
Personal Services	\$ 4,200	\$14,060 ^{1/}	\$2,000 ^{2/}	\$20,260
Travel - Domestic	1,300	-	-	1,300
Travel - Foreign	5,600	3,840	-	9,440
Materials & Supplies	3,300	2,600	-	5,900
Equipment	<u>8,100</u>	<u>-</u>	<u>-</u>	<u>8,100</u>
Total	\$22,500	\$20,500	\$2,000	\$45,000

1/ Includes the authorized GIT overhead and retirement charges.

2/ Contract with the East-West Center for \$2,000 for the preparation of audio-visual material.

UP/ISSI EXTENSION OFFICE ACTIVITIES DURING PROGRAM YEAR I

The activities reported for the UP/ISSI extension office at Tacloban City, Leyte, were performed under the supervision of the counterpart Project Director, Mr. Paterno Vilorio, Acting Director UP/ISSI, Quezon City, and the counterpart Project Coordinator, Mrs. Herminia Fajardo, Associate Director, UP/ISSI, Quezon City. The Officer-in-Charge at Tacloban City is Mr. Ignacito V. Alvizo.

Organization and Facilities Development

UP/ISSI was advised by GIT on February 9, 1976, that a project grant had been awarded with an effective implementation date of January 10, 1976. UP/ISSI took immediate action to nominate a counterpart Project Director, counterpart Project Coordinator, and Officer-in-Charge, as indicated above.

On March 12, 1976, Mr. R. A. Manoff of the GIT staff arrived to initiate the program that had been designed by the Project Director in cooperation with the UP/ISSI staff. At that time, work was begun on the baseline data report. During Mr. Manoff's three-week stay in the Philippines, reporting formats and statistical controls were developed, a training seminar was conducted, the project site and proposed facilities at Tacloban City, Leyte, were inspected, and scheduling and participant selection for 1976 training in Atlanta were carried out.

Also during Mr. Manoff's visit, work was begun on implementation of the extension office activities at the University of the Philippines facilities in Tacloban City. A working agreement was drawn between the Dean of the College and the Director of UP/ISSI for the former to provide working space and related facilities on campus for the pilot extension office. (See Appendix 1.) A recruiting effort was begun at the University in Tacloban City, with the intent of developing local professional participation in the work of the extension office.

Through April and May 1976, furniture and equipment were acquired and installed, and the extension office was stocked with the necessary supplies. In addition, during these first months, announcement letters were sent to the business community and to public sector offices. Publicity also was developed via local newspapers. (See Appendix 2.)

Meetings were held with regional officials of government and private agencies to establish optimum working relationships. The local linkages which were established include:

- Regional Office, National Economic Development Authority
- Regional Office, National Cottage Industries Development Authority
- Regional Office, Development Academy of the Philippines
- Sab-A Basin Development Authority
- Provincial Development Council
- Regional Commission for Small and Medium Industries
- Region VIII Trade Assistance Center
- Provincial Coordinating Council for Small-Scale Industries
- Small Business Advisory Council
- Divine Word University
- Development Bank of the Philippines
- International Rice Research Institute

The extension office was officially opened to the public on May 12, 1976.

Industrial Extension Services

As embodied in the plans of the extension office, extension services comprise the main bulk of the involvement of the office in the region. In order to assess the needs of the small-scale industry sector in the region, 30 initial in-plant visits were made. The purpose of these visits was to introduce the extension office and its capabilities to the owners/managers of these firms. Although no specific problems were uncovered in 18 companies, it is likely that some of them will avail themselves of the extension service in the future.

The extension office initiated 14 technical assistance projects during the first program year. Two of the cases were in the public sector and the rest were with the private sector. One of these projects was terminated during the year, leaving 13 projects active. As a matter of priority, the existing industries were given immediate attention in terms of technical assistance, although attention also was directed to the creation of new industries, especially those which are resource-based.

Although there was no appreciable increase in employment during Year I, it is anticipated that the projects will be able to generate more employment in the future, considering that these industries are presently contemplating

physical plant expansion and increased utilization of present plant facilities due to favorable market opportunities. (Refer to Table 1 for data on employment levels and to Appendix 3 for a summary of technical assistance cases.)

Table 1
EMPLOYMENT GENERATION WITHIN ASSISTED FIRMS, YEAR I

Case No.	Project Duration	Employment		
		Start	Present	Variance
2	4 months	4	4	-
3	5 months	3	3	-
4	5 months	20*	20*	-
7	4 months	2	2	-
11	5 months	-	7	7
12	1 month	5	5	-
13	2 weeks	18	18	-
14	2 weeks	<u>11</u>	<u>11</u>	<u>-</u>
		63	70	7

* The proprietor buys his product requirements from 20 families.

Information and Research Activities

The extension office staff provided information and guidance to the public and private sectors in projects related to the development and promotion of small and medium-scale industries in the region. In this activity, the unit serviced 15 inquiries ranging from project conceptualization guidelines to sources of financing. These differed from the industrial extension projects in that they could be satisfactorily handled by one visit to the client or by referral to another agency cognizant in the subject area. Research was conducted on subjects either directly related to the inquiry or to the technical assistance cases. (See Appendix 4 for a listing of inquiries served.)

Two principal research papers were completed by the staff to provide data for project planning and evaluation:

General Information on Tacloban City and Region VIII (a compilation of vital statistics about the region)

Data for the Baseline Study of the Region

The extension office staff also coordinated the research activities of the participants of the 1976 Regional Industrial Development (RIDE) Course which was conducted by UP/ISSI. These studies were carried out in Region VIII. (See Appendix 5 for a list of research papers completed by the course participants.)

Staff Development and Training

Seminar on Extension Work. A two-day seminar was conducted in March by Mr. R. A. Manoff of GIT for the staff at ISSI/Diliman. The seminar dealt primarily with industrial extension techniques and the interaction of local agencies with international organizations.

In September, Sherman Dudley of GIT discussed with the staff of the extension office some approaches to extension work. In November, Mr. Donald E. Lodge of GIT discussed conduct of market studies for small industries.

Training Program for I. U. Alvizo at GIT. A four-week training program was designed and presented in Atlanta by EDL for the Officer-in-Charge, Mr. Ignacito U. Alvizo. The program dealt primarily with approaches to industrial extension work and with recent solar energy development in the United States. The program included three weeks of field visits to the area offices of EDL, which provided the participant a clear insight into the industrial extension practices of these rural area offices.

Training of the ISSI Extension Staff. Two of the staff members of the extension office were given three weeks of orientation training at the UP/ISSI Diliman office on the operations and organizational structure of the Institute and the services available to support extension office work in Region VIII. (See Appendix 6.) Another staff member was given a one-week orientation course on the same subjects.

Two of the staff members of the extension office were studying under the Master in Management of Small Industries Program of the UP College of Tacloban at the end of Year I.

Training Program for Mrs. T. Vinuya at TDI-EWC Hawaii. Mrs. T. Vinuya participated in a four-week training program for the project directors of Asian RATC/SID Centers which dealt with the evaluation of the activities of these centers. She also assisted in the editing of the documentation materials concerning the first program year at the pilot extension office in Tacloban which had been filmed earlier in the year.

Coordination Visits at EDL Atlanta. The counterpart Project Director and counterpart Project Coordinator separately visited the headquarters of EDL at Atlanta, Georgia, to confer with the Project Director and EDL staff on the activities of the extension office and other matters of interest to the two institutions.

Entrepreneur Training. A survey of the training needs of entrepreneurs located in Tacloban was conducted during a Small Industry and Tourism Congress which was held in that city. The survey respondents were the convention attendees and represented both the public and private sectors. The results of the survey showed a need for general management training programs for the business community and for seminars on project feasibility preparation and development. Although a 10-day seminar had been planned for presentation by the extension office staff during December 1976, the existing commitments of the extension office to its clients and the approaching holiday season forced a postponement.

The extension office has become closely involved with the Master in Management of Small Industries Program of the University of the Philippines College at Tacloban City. The program is directed toward the development of local expertise in the field of small industry management in rural areas.

Linkages Developed with Other Organizations and Agencies

Recognizing the need to coordinate the extension office activities with other government agencies in the region, the office has developed working relationships with the following agencies:

National Economic Development Authority (NEDA). The extension office staff participated in the seminar-workshop on foreign trade sponsored by this agency. The seminar-workshop focused on the plans and strategies developed by NEDA to increase export consciousness among entrepreneurs in the region. The area's business community was represented in the seminar-workshop.

A "Small and Medium-Scale Industry and Tourism Congress" also was held by the aforementioned agency in Region VIII. The congress served as a forum for discussion between the private and public sectors involved in the promotion and development of industries in the region.

Sab-A Basin Development Authority. This agency is involved in the integrated development of 21,085 hectares of agricultural land in Leyte and in the

development of agro-based industries. The extension office is working with this agency in the development of the brick-tile industry within the geographic area of the Authority and in the identification of possible handicraft industries in the area for families covered by the program.

Small Business Advisory Center (SBAC), Department of Industry. The extension office is now working closely with this agency on extension activities. The office has agreed to prepare industry studies on the coconut, fishing, and wood-based industries. These studies will serve as the basis for the later preparation of pre-investment studies. The pre-investment studies will be used subsequently in the industrial promotion activities to be undertaken by both agencies in 1977.

National Cottage Industry and Development Authority (NACIDA). The office has rendered assistance to NACIDA in the formulation of plans for the launching of a furniture design contest and in the design of a marketing plan for the cottage industries in the region.

Development Bank of the Philippines, Tacloban Branch (DBP). The bank branch manager has accepted the extension office's proposal to assist the several industries financed by the bank in the region. Although the bank has been performing this activity, it could not pursue this intensively because of manpower constraints. The branch manager, therefore, welcomed the extension office's assistance. The office is seeking to assist other bank-financed industries.

The Government of Tacloban City. The extension office has provided the city government with policy guidelines involving the resettlement of the city's squatters in the resettlement areas designated by the city government. Baseline data for the project were prepared in cooperation with the Community Development Department of the University of the Philippines College in Tacloban. Three thousand families are affected by this project.

Divine Word University (DWU). The facilities of the mechanical engineering laboratory of the University were made available to the staff of the extension office for the fabrication of a feed mixer which was designed for one of the technical assistance cases. A permanent working relationship with the University along this line will be consummated during 1977.

Appropriate Technology Activity

To improve the feed mixing system used by a swine raiser, a mechanical feed mixer has been designed and fabricated out of a 210-liter gasoline drum. The design, as shown in Figures 2-4, rests on a steel frame of angle bars with a shaft at the upper end. The equipment is operated manually by means of a crank. To insure a thorough mix, three 6" x 32" steel blades are attached to the interior surface of the barrel at an angle of 13° with respect to the axis of rotation. A 22" opening is provided for loading and discharging the feed ingredients.

This design has been made to permit the entrepreneur to efficiently mix his feed ingredients, which consist of soybeans, greens (e.g., sweet potato tops, ipil-ipil leaves), rice bran, and other ingredients.

The ineffective mixing of ingredients by hand has been eliminated and the small swine raiser is able to operate more efficiently. Furthermore, he lessens his cost by using a noncommercial feed mix through the use of local materials.

Other Activities

Documentation Project. EDL, under a separate contract, provided the services of the Technology and Development Institute (TDI) of the East-West Center (EWC), Hawaii to document the activities of the extension office for the first program year. Mr. Daniel de Castro of TDI, Mrs. T. Vinuya of UP/ISSI, and Mr. Sherman Dudley, GIT, in cooperation with the staff of the extension office, conducted the on-site documentation activities during September 1976.

FRONT VIEW

SCALE: 1" : 8"

Figure 2

FRONT VIEW PLAN OF THE FEED MIXER

DIAGRAM - A

SHUTTER

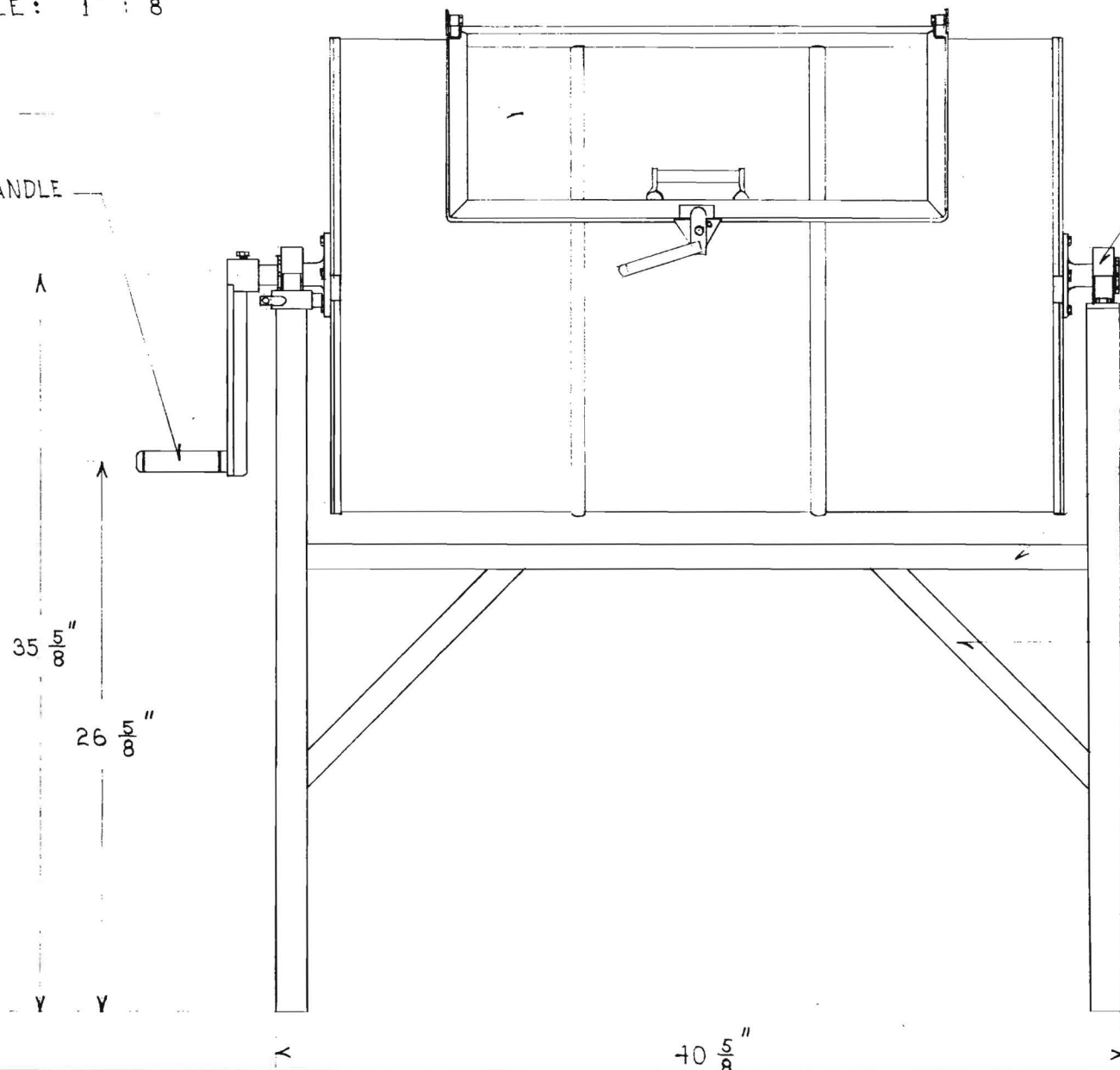
CRANK HANDLE

BEARING HOUSING

1" ϕ SHAFT

$\frac{3}{16}$ " \times $1\frac{1}{4}$ " \times $1\frac{1}{4}$ "
ANGLE BAR

$\frac{3}{16}$ " \times $1\frac{1}{4}$ "
FLAT BAR



END VIEW PLAN OF THE FEED MIXER

SCALE : 1" : 8"

210 LITER - DRUM -

SELF ALIGNING BEARING...

DIAGRAM - B

FINGER

SHUTTER HANDLE

SHUTTER LOCK

DRUM LOCK

$$\frac{3}{16}'' \times 1\frac{1}{2}'' \times 1\frac{1}{2}''$$

ANGLE BAR

$$\frac{3}{16}'' \times 1\frac{1}{4}'' \times 1\frac{1}{4}''$$

ANGLE BAR

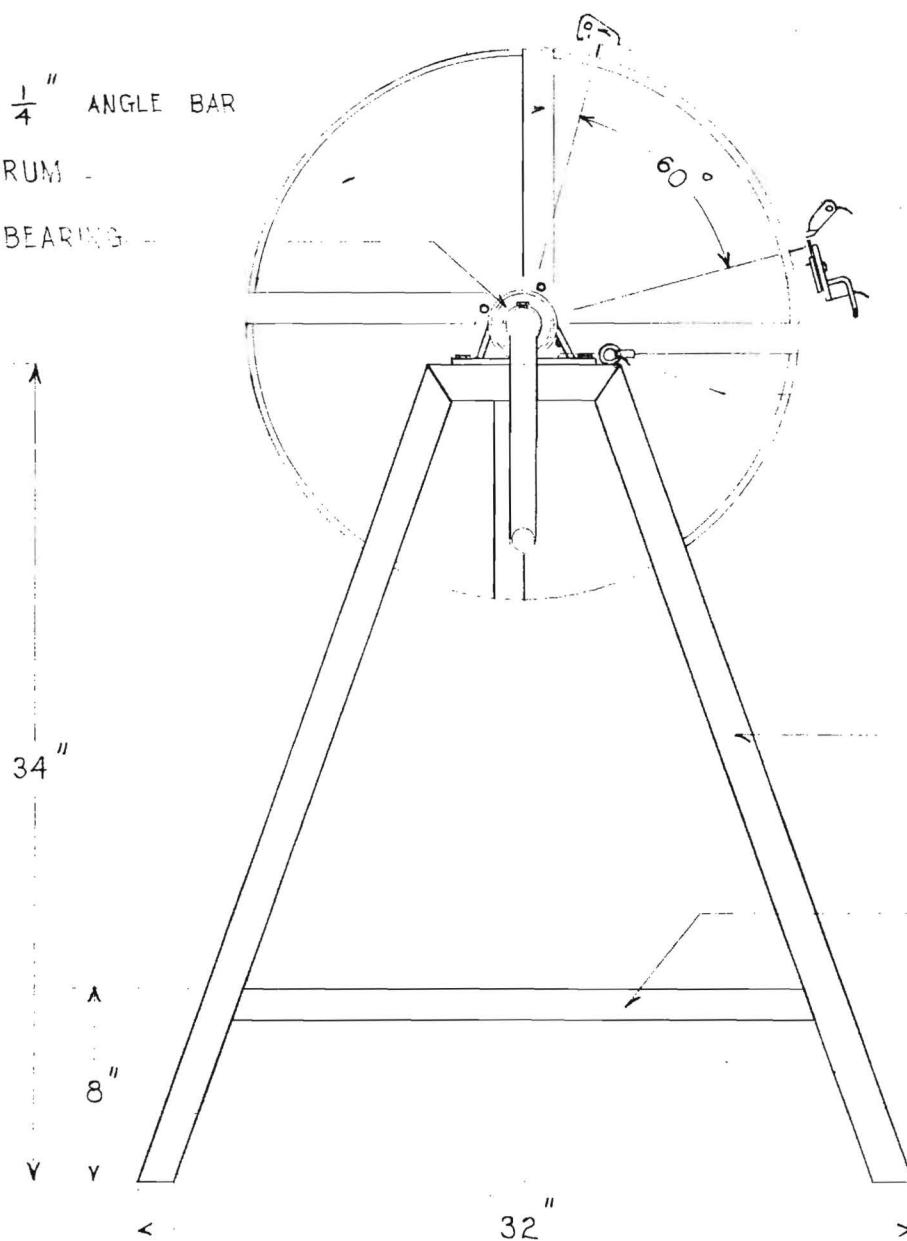


Figure 4

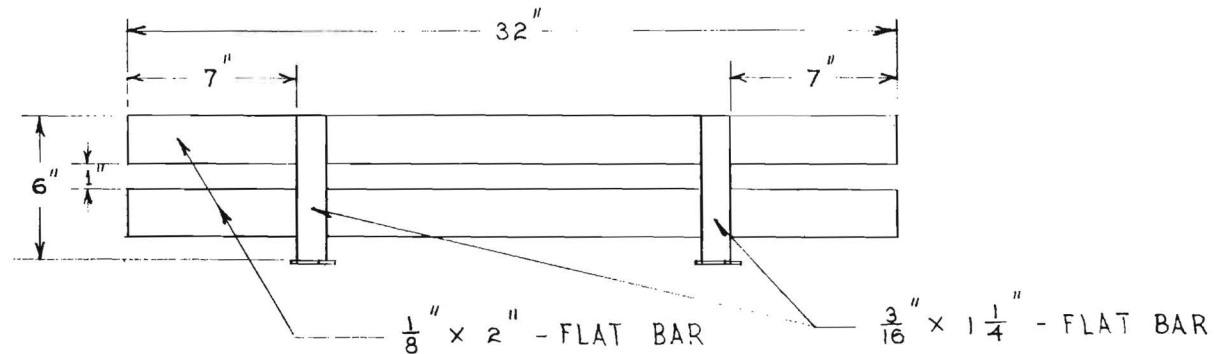
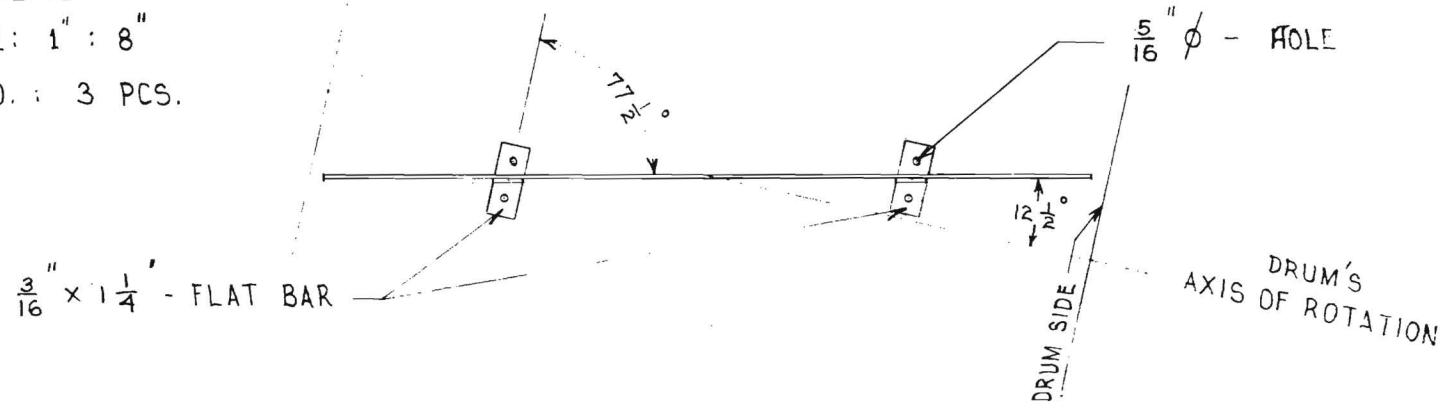
PLAN OF THE FEED MIXER BLADES

BLADE

SCALE: 1" : 8"

REQ'D. : 3 PCS.

DIAGRAM - C



NOTE :

THE 3 BLADES ARE SPACED EQUALLY INSIDE THE DRUM, WHICH ARE ATTACHED NEAR THE OPENING OF THE DRUM.

TWO OF

GEORGIA INSTITUTE OF TECHNOLOGY
ACTIVITIES DURING PROGRAM YEAR I

The activities of the Georgia Institute of Technology for the program year were initiated by Mr. R. A. Manoff on March 1, 1976, when he visited the Philippines to provide on-site assistance in the project. This visit was later followed by those of Mr. Ross W. Hammond, Mr. Howard Dean, Mr. Donald E. Lodge, Mr. Kenneth Stevens, Mr. Philip Hess, Mr. Sherman Dudley, Mr. Daniel de Castro, and, again, Mr. Donald E. Lodge in November. Each of these staff members had a specific task assigned to him within the total goals of the program. Each was funded by this project or by other AID-sponsored programs. A brief summary of the individual activities follows in chronological order.

March 12-April 2, 1976 (Mr. R. A. Manoff).

This member of the GIT staff had the responsibility of setting up the GIT program of work for the year as designed by the Project Director in consultation with the counterpart Project Director, Mr. Vitoria Paterno, and the counterpart Project Coordinator, Mrs. Herminia Fajardo. The five major areas of work had been defined as follows:

1. To implement and complete a baseline study for the Eastern Visayas Region (Region VIII).
2. To establish optimum UP/ISSI professional staff training objectives to be subsequently provided in Atlanta by the Georgia Institute of Technology.
3. To establish scheduled visits by EDL staff to the UP/ISSI facilities in support of technical assistance transfer activities.
4. To establish program reporting procedures as required by the funding sponsor (USAID).
5. To support, as indicated, related research activities of UP/ISSI through interaction with EDL staff and via continuing contact with the International Development Data Center (IDDC) at EDL. This support will be particularly directed to:
 - a. Provincial surveys
 - b. Industry profiles/studies

- c. Technological studies
- d. Product and process research

Different EDL staff members were tentatively assigned to carry out individual tasks. The resulting Project Plan for Year I was prepared as shown in Figure 5. Mr. Manoff also provided suggested reporting forms and procedures for use in industrial extension (see Appendix 7), established professional staff training objectives for a training program to be conducted in Atlanta later in the year, guided and assisted the UP/ISSI professional staff in gathering data for the baseline study, and conducted a seminar on industrial extension.

May 23-May 30, 1976 (Mr. Ross W. Hammond, Mr. Howard Dean, Mr. Donald E. Lodge, Mr. Kenneth Stephens, and Mr. Philip Hess)

The purpose of this visit was to conduct, in cooperation with UP/ISSI, a conference on Appropriate Technology and Small-Scale Industry funded under a separate grant to GIT from the Agency for International Development. During Mr. Hammond's stay, he provided administrative guidance and counseling to the counterpart Project Director and his staff. The other GIT staff members received orientation regarding the various programs of UP/ISSI, including this Small Industry Grant program.

July 13-August 10, 1976 (Counterpart Training)

The Officer-in-Charge of the UP/ISSI Extension Office, Mr. Ignacito Alvizo, participated in a four-week training program at the EDL headquarters in Atlanta and various EDL extension offices around Georgia. The training program, as designed by the EDL staff, included various forms of training, including classroom activities, on-the-job situations, guidance, counseling, industrial tours, and general small industry exposure within the state of Georgia. The training program also provided information regarding current solar energy technology and experimentation being conducted at Georgia Tech. (See Appendix 8.)

September 13-29, 1976 (Mr. Sherman Dudley)

It was Mr. Dudley's responsibility to assist the UP/ISSI staff in their industrial extension service activities and to serve as a consultant to the small-scale industries served by the extension office at Tacloban City, Leyte. Mr. Dudley also assisted the joint UP/ISSI-TDI/E-W Center audiovisual documentation team during their two-day activities in the Philippines.

Project Director N. C. Wall

[illegible]

LEGEND

September 15-17, 1976 (Mr. Daniel de Castro, TDI/EWC)

Mr. de Castro came to the Philippines to prepare the Year I audiovisual documentation of the UP/ISSI-GIT Small Industry Grant program, under a separate AID contract, and to provide Mrs. Theodosia Vinuya of the UP/ISSI staff with operating experience in audiovisual documentation techniques.

September 26-October 22, 1976 (Mrs. Theodosia Vinuya, UP/ISSI)

Mrs. Theodosia Vinuya attended a four-week training program on audiovisual documentation presented by the Technology and Development Institute of the East-West Center in Honolulu, Hawaii. She assisted TDI personnel in editing the audiovisual materials prepared during September in the Philippines.

November 7-20, 1976 (Mr. Donald E. Lodge)

This was the last on-site contact by GIT for Program Year I. Mr. Lodge, together with Mr. Paterno, counterpart Project Director, Mrs. Fajardo, counterpart Project Coordinator, and Mr. Ignacito Alvizo, Officer-in-Charge of the extension office, prepared annual report data for this program year. During his stay, Mr. Lodge visited the Tacloban extension office and many of the small-scale industries which received technical assistance services during the year. He also presented a seminar on the conduct of market research for the extension office staff.

RESULTS AND CONCLUSIONS

As indicated in the Introduction, many positive accomplishments have resulted during Year I of this program despite the limited funding available. This section highlights the accomplishments for the year.

1. On May 12, 1976, the extension office located on the campus of Tacloban College of the University of the Philippines was opened to the public. This act was made possible by a number of tasks which were completed between February 9, 1976, and the opening day -- the selection of an Officer-in-Charge, the recruitment and training of staff personnel, the arrangement of suitable office space in Tacloban, the outfitting of the office, the preparation of reporting formats, and the distribution of publicity releases.

2. The staff of the extension office visited 30 firms and initiated 14 industrial extension service programs during Year I. Two of these were involved with the public sector and 12 were with the private sector.

3. The staff serviced 15 technical assistance inquiries concerning a variety of subject matter. These differed from the industrial extension service programs in that the nature of the inquiries allowed for the delivery of satisfactory answers with one visit to the client or by referral to a pertinent office or agency covering the subject matter.

4. The staff attended seminars presented in Tacloban by three GIT staff members; the Officer-in-Charge received four weeks of training at GIT; and two staff members each received three weeks of orientation training at the UP/ISSI headquarters on campus.

5. The staff conducted a survey of the training needs of entrepreneurs located in Tacloban for the purpose of planning training programs for these people.

6. Linkages were established with seven governmental agencies and other organizations active in Region VIII developmental efforts, to insure that various programs may be coordinated and operated to complement each other.

7. The staff conceived, designed, constructed, and delivered a piece of appropriate technology hardware to a client. This was a manually operated feed mixer for use by a swine grower, providing a more thorough mixture of ingredients and permitting the use of local resources instead of a more expensive commercial feed mix.

8. An audiovisual documentation of the year's activities was prepared. Under a separate AID contract, the extension office documented the first-year program through the efforts of the East-West Center. The resulting videotape and photographic collection provided a concise history of the highlights of the program of technical assistance to small-scale industries in Region VIII.

9. The baseline study on Region VIII was completed and published.

10. Consulting services were provided by the EDL staff. In addition to the time utilized in provision of technical assistance to small-scale industries, EDL had time available to provide on-site consultation to the extension office staff in such areas as project development, project administration, operations, and report preparation.

11. During the grant year, both the UP/ISSI staff and the EDL staff had the opportunity of working together in seeking and attempting to solve new problems. The knowledge gained of real-world problems and solutions will be of direct value in staff development and in feedback to the university education curricula.

During the year, not only have these achievements taken place, but also the small-scale industries in the target area have been provided with assistance previously available to them only from the Manila metropolitan area. As the project progresses and more scientific methods are put into practice, it is expected that even more effective implementation will take place.

Appendix 1

MEMORANDUM OF AGREEMENT BETWEEN
THE UNIVERSITY OF THE PHILIPPINES COLLEGE OF TACLOBAN
AND
THE UNIVERSITY OF THE PHILIPPINES INSTITUTE
FOR SMALL-SCALE INDUSTRIES

MEMORANDUM - AGREEMENT

By and between the University of the Philippines College of Tacloban and the University of the Philippines Institute for Small-Scale Industries for the establishment and operation of the UP-ISSI EXTENSION OFFICE for small and medium industries.

This MEMORANDUM-AGREEMENT, made and entered into by and among:

The University of the Philippines COLLEGE OF TACLOBAN, Tacloban City, hereinafter referred to as UP Tacloban, represented by the DEAN, BENJAMIN M. CATANE;

- and -

The University of the Philippines INSTITUTE FOR SMALL-SCALE INDUSTRIES, Quezon City, hereinafter referred to as the UP-ISSI, represented by the DIRECTOR, LEON V. CHICO.

W I T N E S S E T H :

WHEREAS, the UP TACLOBAN commits itself, not only to the provision of education programs in the Eastern Visayas region, but also to its total development through social and economic advancement particularly in the sphere of small and medium industry promotion;

WHEREAS, the UP-ISSI, an institution which in its ten years of existence has exclusively catered to the training, research and consultancy needs of small and medium industries, and now aims to accelerate rural industrialization in the Eastern Visayas by bringing its programs to the region;

WHEREAS, the participating agencies are committed to cooperate to support each other in the establishment of the UP-ISSI EXTENSION OFFICE at the UP TACLOBAN.

NOW, THEREFORE, in consideration of the foregoing premises,

the parties have agreed, as they do hereby agree, to jointly undertake the establishment of the UP ISSI EXTENSION OFFICE at the UP COLLEGE OF TACLOBAN, in accordance with the Operational Guidelines attached hereto and made an integral part hereof, with the following as their respective functions and responsibilities:

UP TACLOBAN

- a) Provision of an office space with five (5) sets of desks and chairs;
- b) Provision of training rooms, and other training facilities;
- c) Make available some of its staff members as may be necessary in certain projects;
- d) Assistance in any manner to ensure the success of this joint project.
- e) Coordinate mutually with the ISSI with respect and in relation to the overall small industry promotion and development efforts in Region VIII.

UP ISSI

- a) Preparation of the work plan for project operation;
- b) Administration, direction and control of the extension office;
- c) Provision of funds needed for the operation of the projects;
- d) Recruitment and selection of personnel;
- e) Make available faculty and resource persons for the projects/ programs;
- f) Performance of the same functions as those of the Institute's main office, i. e., training, research information and consultancy services for small-scale industries in the region;

g) Adoption of such measures as may be necessary to ensure the success of the project.

This MEMORANDUM - AGREEMENT shall take effect upon the execution and signing hereof by the parties and shall remain in full force throughout the duration of the project.

Done this 16th day of February, 1976 at Quezon City, Philippines.

UNIVERSITY OF THE PHILIPPINES
INSTITUTE FOR SMALL-SCALE
INDUSTRIES

By:

LEON V. CHICO
Director
(Original Signed)

UNIVERSITY OF THE PHILIPPINES
COLLEGE OF TACLOBAN

By:

BENJAMIN M. CATANE
Dean
(Original Signed)

WITNESSES:

(Original Signed)

(Original Signed)

A true copy

Appendix 2

ANNOUNCEMENT LETTER AND NEWSPAPER CLIPPING
REGARDING OPENING OF EXTENSION OFFICE

23 April 1976

Dear M

In line with the national program to develop small and medium scale industries in the countryside, the University of the Philippines Institute for Small-Scale Industries (UP ISSI) will open its first Extension Office in Tacloban on May 12, 1976. Our Office is situated at the University of the Philippines Tacloban, Capitol Grounds and office hours start at 7:30 a.m. to 6:00 p.m.

Our services cover the following areas:

Extension Services

- general management consultancy
- direct plant assistance
- project feasibility studies
- industry and entrepreneurship promotion
on the regional level

Research

- provincial surveys
- industry profiles/studies
- product researches

Training

- management and technical courses
- seminar on selected industries
- seminar on entrepreneurship

General Information Services

- technical briefs
- handouts and services

- 2 -

Technical support will be provided by our staff members and foreign consultants from Georgia Institute of Technology, our main cooperating agency in this project.

We have enclosed our brochure for your information.

The officer-in-charge of the Extension Office, Mr. Ignacio U. Alvizo, will be expecting to see you soon at the office.

Very truly yours,

HERMINIA R. FAJARDO
Project Coordinator

: evm

THE ONLY LEYTE - SAMAR WEEKLY

Leyte Forum

Vol. XI No. 21, * May 25, 1976 * Tacloban City, Philippines * Twenty Centavos

UPISSI pilot extension office open

The first Pilot Extension Office of the University of the Philippines Institute for Small-Scale Industries (UPISSI) for Region VIII is now opened to assist the small and medium scale industries in the area, it was reported by its OIC Ignacito U. Alvizo of the UPISSI.

(Continued on page 4)

UPISSI pilot ...

The project according to Alvizo is in coordination with the Georgia Institute of Technology, Georgia USA and is financially assisted by the USAID. The office is situated at the UP College Tacloban. The services of UPISSI Tacloban include technical assistance, research and training. Technical support is provided by the UPISSI staff assigned in the project and consultants from GIT. The office is open from Mondays to Fridays to entertain inquiries from the public, he added.

Appendix 3
SUMMARY OF TECHNICAL ASSISTANCE CASES

SUMMARY OF TECHNICAL ASSISTANCE CASES

<u>Case No.</u>	<u>Municipality</u>	<u>Product</u>
1	Tacloban City	Soy sauce
2	Jaro, Leyte	Swine
3	Palo, Leyte	Poultry
4	Pimamopoan, Leyte	Coconut charcoal
5	San Antonio, Basey Samar	Coconut charcoal
6	Tacloban City	City government services
7	Tacloban City	Draperies and blinds
8	Tacloban City	Tour bus operation
9	Jaro, Leyte	Proposed coconut oil mill
10	Tacloban City	Garments
11	Tacloban City	City government services
12	Tacloban City	Fabricated steel gates
13	Tacloban City	Soft-drink boxes
14	Tacloban City	Rattan furniture

SUMMARY OF TECHNICAL ASSISTANCE CASES

CASE NO. 1

MAIN PRODUCT: SOY SAUCE

Municipality: Tacloban City

Brief Description of Problem

The owner uses an open container in cooking the soybeans over an open fire. This system looks unsanitary and consumes a lot of energy. Based on observation of the process, it appears that precipitates after the sedimentation cannot be controlled and go with the liquid in the bottling process. The practice of siphoning the liquid into 20-gallon containers also seems unsanitary.

Applied Solution

The extension office prepared preliminary drawings of containers which could be adopted to suit the owner's needs. Also suggested was the use of a pressure cooker and an enclosed clay stove to minimize the use of fuel. He is still negotiating a loan with the local banks to finance these recommended activities and to add to his working capital.

CASE NO. 2

MAIN PRODUCT: SWINE

Municipality: Jaro, Leyte

Brief Description of Problem

Improvement was needed in the present system of feed mixing, which was being done manually.

Applied Solution

The extension office designed a feed mixer made from a used gasoline drum. The mixer utilizes a 210-liter steel drum with shafts at its end which rests on a steel frame made of angle bars. It is a horizontal-type mixer turned manually by means of a crank. An opening 11" x 22" is provided for charging and discharging the feed ingredients. The capacity is about 100 kg of feed per batch. The 6" x 32" blades are attached to the interior periphery of the

(Continued)

CASE NO. 2 (Continued)

Applied Solution (Continued)

barrel and are inclined at an angle of 13° with respect to the axis of rotation. This equipment improves the feed mixture and shortens the mixing process.

CASE NO. 3

MAIN PRODUCT: POULTRY

Municipality: Palo, Leyte

Brief Description of Problem

Present working capital is insufficient to finance future expansion; thus the need for additional funding. However, the owner is in doubt as to whether the project would generate sufficient cash flow to service the debt within the one-year period of the loan.

Applied Solution

The office prepared a cash flow analysis of the proposed plant expansion. The owner has decided to implement his plans in 1977.

CASE NO. 4

MAIN PRODUCT: COCONUT CHARCOAL

Municipality: Pimamopoan, Leyte

Brief Description of Problem

The proprietor manufactures as well as buys coconut charcoal from local producers. The price that he is getting from a local trader is not profitable considering his present cost of operations. He wants a better price for his product to enable him to pay his existing bank obligations.

Applied Solution

Established contact with the direct exporter in Cebu City for a possible direct purchase arrangement with this firm. Based on preliminary computations of cost, it has been established that the price offered by the exporter is more profitable than the present arrangement with a local trader. The owner is being assisted in finalizing the sales arrangements with the buyer in Cebu City.

CASE NO. 5

MAIN PRODUCT: COCONUT CHARCOAL

Municipality: San Antonio, Basey Samar

Brief Description of Problem

(1) Insufficient production due to seasonal activity of the farmers. During the planting season the supply of coconut shell goes down, as does the supply of coconut shell charcoal which the owner also buys. This problem also is compounded by the lack of transportation facilities in the area which discourages the farmers from either producing coconut charcoal or bringing the raw materials (coconut shell) to the production center.

(2) Because of improper procedures followed in the manufacture of charcoal, the end product is of poor quality.

Applied Solution

The staff proposed a plan of centralizing the coconut shell charcoal production in strategic places with the use of gasoline drums as kilns. This system will improve the quality of charcoal produced and minimize handling of raw materials. The project has been followed up since the initial contacts, but the owner has been very busy with other activities.

CASE NO. 6

MAIN PRODUCT: CITY GOVERNMENT
SERVICES

Municipality: Tacloban City

Brief Description of Problem

The city government ejected about 400 families occupying the UP College property and relocated them in a temporary site about 10 minutes' drive from the former site. The Department of Social Welfare has charge of the transfer and rehabilitation of the settlers. The problems met were on the provision of enough employment opportunities and other social problems in the area.

Applied Solution

Baseline data for the resettlement area were prepared to serve as the basis for the preparation of an integrated plan of action for the welfare of the resettled families. The baseline study was made in cooperation with the

(Continued)

CASE NO. 6 (Continued)

Applied Solution (Continued)

Community Development Department of the University of the Philippines, College of Tacloban. A framework plan based on the baseline study was submitted to the interagency committee created by the city mayor, but so far no feedback has been received. The resettlement area has been provided with lighting facilities, water, and primary education classes for the children of the families. The National Cottage Industry and Development Authority has finished a skill training program for the working mothers in the area. The extension office has committed itself to initiate entrepreneurial training programs in the area.

CASE NO. 7

MAIN PRODUCT: DRAPERIES AND
VENETIAN BLINDS

Municipality: Tacloban City

Brief Description of Problem

Underutilization of present capacity, due to limited orders. The owner is apprehensive that his loan with the Industrial Guarantee Loan Fund cannot be repaid if the present market trend continues.

Applied Solution

An in-plant diagnosis was made to evaluate the operation. The study identified marketing as the foremost problem, specifically in regard to inadequacy of channels of distribution, sales promotion, and competitive pricing. Technical problems were identified as quality control and design. The owner was given a list of prospective buyers in the domestic and foreign markets. He also was advised on pricing strategies in order to be competitive and was helped in experimenting with some chemical applications to protect his raw materials from insect attack.

CASE NO. 8

MAIN PRODUCT: TOUR BUS OPERATION

Municipality: Tacloban City

Brief Description of Problem

Revision of project plans due to cost increases.

(Continued)

CASE NO. 8 (Continued)

Applied Solution

The extension office revised the project proposal for submission to the local branch of the Development Bank of the Philippines for financing. The Bank has considered the project, which involves the purchase of a tourist bus to be used in the local guided tour operation, for financing. The project is expected to be operational in 1977.

CASE NO. 9

MAIN PRODUCT: COCONUT OIL MILLING

Municipality: Jaro, Leyte

Brief Description of Problem

Determination of the viability of establishing a 25-ton-capacity oil mill in the region.

Applied Solution

The extension office prepared an economic study of the planned project and assisted the entrepreneur in the conduct of proper rabbit skin tanning. The family has a small backyard rabbitry which they plan to develop into a 100-doe project.

CASE NO. 10

MAIN PRODUCT: GARMENTS

Municipality: Tacloban City

Brief Description of Problem

The entrepreneur needs assistance in the implementation of the project plan which was prepared by UP/ISSI and funded by the Development Bank of the Philippines.

Applied Solution

The entrepreneur is being guided in the implementation of the project plans, specifically in securing the release of the funds from the bank and other details of the activation of the project, such as accounting, securing licenses, and marketing arrangements.

CASE NO. 11

MAIN PRODUCT: CITY GOVERNMENT
SERVICES

Municipality: Palanog Resettlement Area
Tacloban City

Brief Description of Problem

The city government plans to resettle the 3,000 squatter families of the city in a resettlement area purchased by the Republic's First Lady. The mayor created an interagency committee to look into the problems that will arise as a result of the project.

Applied Solution

The extension office, as a member of the interagency committee, proposed a framework plan for the creation of economic opportunities for the settlers. To date, no feedback has been received from the other members of the committee.

CASE NO. 12

MAIN PRODUCT: FABRICATED STEEL
GATES

Municipality: Tacloban City

Brief Description of Problem

The owner does not have complete facilities to service present orders. He, therefore, requested assistance in the preparation of a project proposal for loan purposes.

Applied Solution

The office is presently preparing a project feasibility study for the entrepreneur.

CASE NO. 13

MAIN PRODUCT: SOFT-DRINK BOXES

Municipality: Tacloban City

Brief Description of Problem

The firm produces soft-drink boxes for the Coca-Cola and Pepsi-Cola plants in Leyte. Presently, it supplies only the parts requirements for the repair of soft-drink boxes of these plants. Total employment is 18. According to the

(Continued)

CASE NO. 13 (Continued)

Brief Description of Problem (Continued)

owners, the plant could not meet the requirements of both plants; thus the plan to expand present capacity. Investigation revealed that the plant operates only at 30%-50% of its rated capacity. Some identified bottlenecks are:

(1) The bandsaw operators are bogged down with the handling of raw materials, work-in-process, finished products, and waste materials. The operators have to stop working to perform all these functions.

(2) Limited space, since most of the prime movers used in the operations occupy about 50% of the factory space. Movement of materials and men, therefore, is inhibited.

Applied Solution

The extension office is presently making a study to determine the best handling system for the materials and may possibly recommend additional men to relieve the bandsaw operators from these nonproductive activities.

CASE NO. 14

MAIN PRODUCT: RATTAN FURNITURE

Municipality: Tacloban City

Brief Description of Problem

The owner requires a project feasibility study for a proposed plant expansion.

Applied Solution

Project feasibility study is under preparation.

Appendix 4
SUMMARY OF TECHNICAL ASSISTANCE INQUIRIES

SUMMARY OF TECHNICAL ASSISTANCE INQUIRIES

<u>Proponent</u>	<u>Inquiry and Action</u>
1. Tacloban City Product: Garments	Asked for the project requirements for a loan application with a local bank. Discussed with the proponents the details of the requirements and other necessary steps to be undertaken before packaging the project.
2. Tacloban City	Inquired as to the scope of services of the extension office. They were briefed accordingly.
3. Tacloban City Product: Garments	Wanted verification of the status of loan application to the Development Bank of the Philippines. Loan application was followed up and its status determined. Person also was briefed on the implementation of the project before the loan releases come.
4. Catarman, Samar Product: Bricks	Asked for technical assistance in the setting up of a brick factory in the area. A technical man from the central office was sent to the area to investigate the project. Project was dropped because of ownership constraints on the clay deposits.
5. Palo, Leyte Product: Hollow Blocks and Concrete Aggregates	Requested information on various sources of financing. Inquirer was referred to the branch of the Development Bank of the Philippines for their guidelines.
6. Allen, Samar Product: Coconut Charcoal	Needed information on plans for a charcoal kiln and other information on the process. Was furnished with kiln designs.
7. Tacloban City Product: Hollow Blocks	Requested a project study for financing. Referred to another agency specializing in project study preparation.

(Continued)

<u>Proponent</u>	<u>Inquiry and Action</u>
8. Tacloban City Product: Rattan Craft	Asked for market information on rattan furniture and project feasibility study preparation for loan purposes. Given a list of furniture buyers in the export and domestic markets. Person also was given guidelines on the preparation of project feasibility study.
9. Tacloban City Business Service	Inquired regarding sources of financing. Referred to a local commercial bank for guidelines.
10. Burauen, Leyte Product: Handicrafts	Asked for market information for hand-bags, picture frames, and bamboo fans. Person was furnished with a list of foreign buyers.
11. Burauen, Leyte Product: Rice	Requested information on the feasibility of establishing a rice mill in the region. Also requested some guidelines. Advised to prepare a pre-investment study to determine the viability of the project.
12. Tacloban City Product: Shoes	Wished to learn how to finance a plant expansion. A local commercial bank provided some guidelines on the loan facility of the bank. Person also was advised on how to comply with the bank's requirements and as to other alternatives for financing the proposed plant expansion.
13. Tacloban City Product: Seafoods	Wanted technical information on food processing. Was referred to the National Science and Development Board and the National Institute of Science and Technology.
14. Abuyog, Leyte	Requested a follow-up letter regarding timber application with the Bureau of Forestry Development. Endorsement letter was prepared; the Bureau replied that all alienable and disposable land applications have been suspended. The inquirer was notified accordingly.

(Continued)

Proponent

15. Divine Word University
Tacloban City

Inquiry and Action

Requested a list of machinery suppliers
for their proposed machine shop.

They were furnished with the desired
information.

Appendix 5

FIELDWORK REPORTS COMPLETED BY PARTICIPANTS
IN THE REGIONAL INDUSTRIAL DEVELOPMENT COURSE

FIELDWORK REPORTS COMPLETED BY PARTICIPANTS
IN THE REGIONAL INDUSTRIAL DEVELOPMENT COURSE

A Project Study on Ice Making and Refrigeration in Naval, Biliran, Leyte

A Project Feasibility Study on the Establishment of a Machine Shop in Tacloban City

The Feasibility of Establishing an Equipment Service Group in an Area in Region VIII

Commercial Scale Vegetable Production in Sab-A Basin

The Integrated Processing of Copra and Charcoal

The Establishment of the Rural Bank of Sogod, Inc., Southern Leyte

A Critical Analysis of Samar's Capital Improvement Programme (1976-1980)

An Industry Study on Abaca

The Development Prospects of the Hotel Industry in Northern Leyte

A Proposed Development Strategy for the Sub-Province of Biliran

Project Feasibility of the Establishment of a Foundry Shop in Leyte

Project Feasibility of Shellcraft Making

The Location Quotient and Mis-Share Analysis as a Guide to Development Strategy of Region VIII

Coco-oil Mill, an Economic Study

A Feasibility Study of Poultry Projects in Tacloban

The Southern Leyte Agricultural Development Plan

An Industry Study on Agricultural Machinery Manufacturing

The Economic Feasibility of Developing a 50-Sow Level Piggery Project in Western Samar

A Feasibility Study for Coconut Oil Extraction by the Wet Process

A Project Feasibility Study of Mushroom Culture

A Feasibility Study of Prawn Culture in Eastern Visayas

A Project Feasibility Study of Fish Canning at the Cottage Level in Northern Leyte

A Feasibility Study of the Conversion of a 10-Hectare Swampland to a Bangus Fishpond

An Industry Study on Grain Processing

The Establishment of a Savings and Loan Association in Northern Leyte

Appendix 6

SCHEDULE OF ORIENTATION TRAINING FOR EXTENSION OFFICE STAFF

SCHEDULE OF ORIENTATION TRAINING FOR EXTENSION OFFICE STAFF

First Week

April 19 - Monday	Briefing on operating guidelines of UP/ISSI-Tacloban and UP/ISSI-Diliman Orientation on operating departments of UP/ISSI
April 20 - Tuesday (a.m.) (p.m.)	Readings on extension services "Handouts from Indextrac '76" Briefing on extension services Film: "Total Approach"
April 21 - Wednesday	Work study principles Exercise on work study
April 22 - Thursday	Work simplification
April 23 - Friday	Plant visit

Second Week

April 26-28 - Monday to Wednesday	Retrieval of technical information Orientation about technical information documentation and dissemination
April 29-30 - Thursday to Friday	Scope of ISSI training program Logistics in running training programs and form requirements

Third Week

May 3 - Monday	Plant visit
May 4-5 - Tuesday to Wednesday	Research and surveys orientation Study on research performed under the program
May 6 - Thursday	Library orientation
May 7 - Friday	Open

Appendix 7

PROPOSED TECHNICAL ASSISTANCE CLIENT ACTIVITY RECORD FORMS

TECHNICAL ASSISTANCE ACTIVITY RECORD

Date	Visit Locale	Staff	Report Brief	Time Used

UP/ISSI EXTENSION OFFICE NO. 1
TACLOBAN CITY

File No. _____

QUARTERLY STATISTICS REPORT

I. PROJECT ACTIVITY

	Q U A R T E R				
	1st	2nd	3rd	4th	Total
No. of T. A. Projects Initiated					
No. of T. A. Projects Terminated					
No. of T. A. Projects Active					

UP/ISSI EXTENSION OFFICE NO. 1
TACLOBAN CITY

File No. _____

QUARTERLY STATISTICS REPORT

II. EMPLOYMENT GENERATION

File No./Prod. Value	1st	2nd	3rd	4th	Total

UP/ISSI EXTENSION OFFICE NO. 1
TACLOBAN CITY

File No. _____

QUARTERLY STATISTICS REPORT

III. PRODUCTIVITY

File No./Prod. Value	1st	2nd	3rd	4th	Total



INSTITUTE FOR SMALL-SCALE INDUSTRIES

UNIVERSITY OF THE PHILIPPINES

EXTENSION OFFICE NO. 1

UP - TACLOBAN

TACLOBAN CITY, PHILIPPINES

CONFIDENTIAL INFORMATION SHEET

Inquiry No. _____

T.A. _____

Date: _____

1. Firm Name _____
2. Street Address _____
3. City/Town and Province _____ Phone _____
4. Key Personnel (Include President, Manager, etc.):

NAMES

TITLES

NAMES

TITLES

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

5. Normal number of production employees: Total _____ Male _____ Female _____

Key Skills _____

6. Products and/or Services: _____

7. Brief description of production process: _____

8. Average daily production output (with present facilities): _____

9. Maximum daily production output (with present facilities): _____

10. Normal production schedule: Days per year _____ Shifts _____ % Overtime _____

11. Major items of equipment: _____

12. Percentage of time that equipment is in use: _____ %

13. Specialized equipment and/or capabilities, if any: _____

14. Are you interested in handling subcontracts? _____ Government contract

15. Major materials, components, supplies used in sources:

ITEM

SOURCE

ITEM

SOURCE

16. Needs, if any, for additional and/or closer sources of materials and supplies: _____

17. Types, quantities, and disposition of by-products and waste: _____



INSTITUTE FOR SMALL-SCALE INDUSTRIES

UNIVERSITY OF THE PHILIPPINES

EXTENSION OFFICE NO. 1

UP - TACLOBAN

TACLOBAN CITY, PHILIPPINES

- 2 -

() Increasing
() Steady
() Decreasing

- SALES MARKETING
18. Current sales volume: _____
19. Seasonal fluctuations: _____
20. Description of distribution system used: _____
21. Marketing area (City/Town Province): _____
- PLANT INFO & EXPANSION
22. Plant site _____ sq. ft.; Site size _____ has. Office area _____ sq. ft.
Production area _____ sq. ft.; Warehouse area _____ sq. ft.
23. Plant expansion in last five years: _____
24. Expansion or diversification planned: _____
25. Transportation services used (check): Rail _____ Highway _____ Air _____
- TECHNICAL INFORMATION & ASSISTANCE NEEDS
26. Presently, what are the major problems confronting your business?

27. In the area of new developments, in what particular fields of management, science, engineering, or technology, would you like to be kept informed? _____
28. Sources of information presently used: _____
29. What specific information needs do you have in either management or technical areas? _____

NAME

TITLE

Comments: _____

Interviewer:

Appendix 8

SCHEDULE OF TRAINING PROVIDED FOR MR. IGNACITO ALVIZO BY GIT

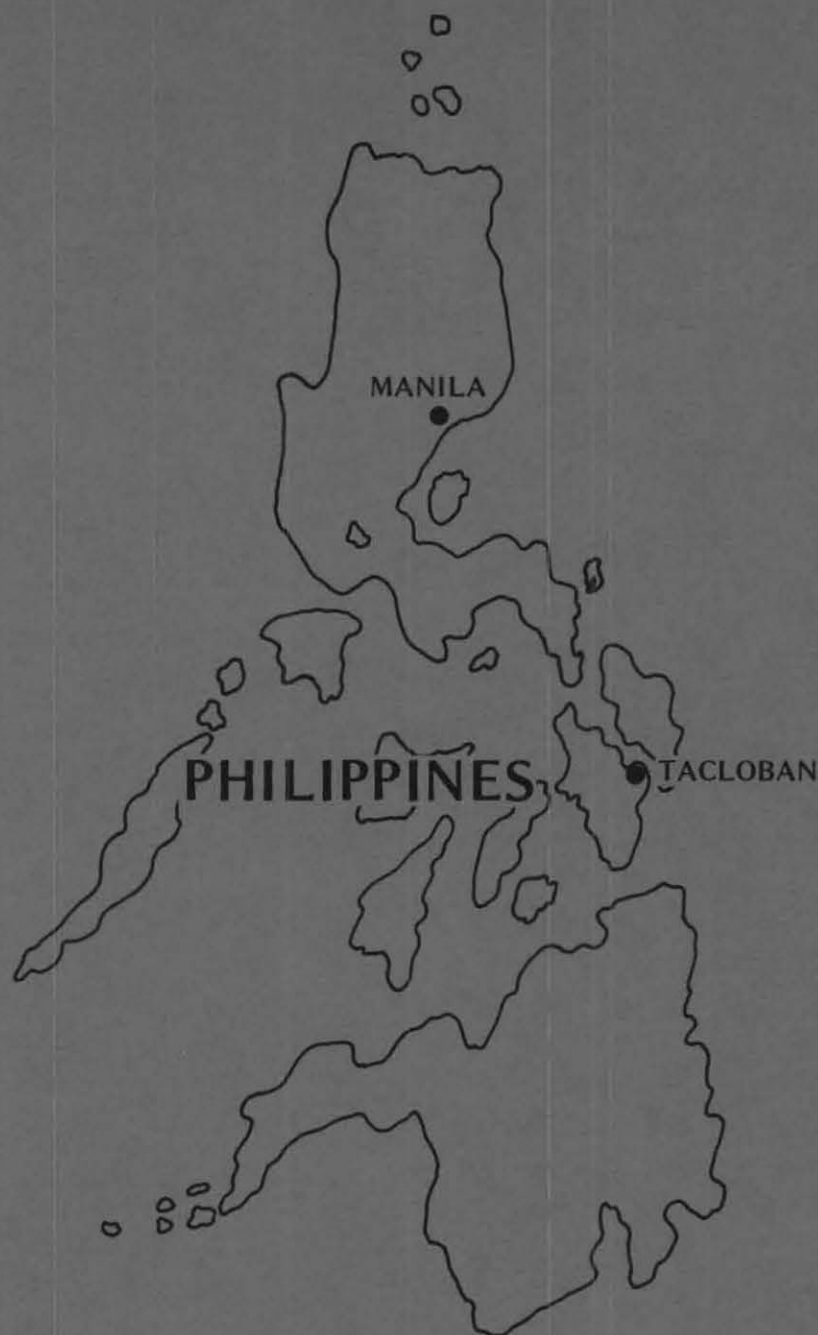
SCHEDULE OF TRAINING PROVIDED FOR MR. IGNACITO ALVIZO BY GIT

<u>Day</u>	<u>Date</u>	<u>Hours</u>	<u>Activities</u>
Mon.	7/12	0830-1200	EDL Introductory Tour/Welcome GIT Campus Orientation
		1300-1400	Training Program Review and Planning
		1400-1700	Review GIT Data Facilities - IDDC/BD/PG Libraries - Research Assignment Presented
Tue.	7/13	0800-1700	Research Assignments - Complete and Submit Assignment Concerning Industrial Extension
Wed.	7/14	0800-1700	Rome Area Industry Visits
Thu.	7/15	0800-1700	Solar - GIT Staff Interaction
Fri.	7/16	0800-1700	On-Site Visits to Local Solar Facilities
Sat.	7/17	0900-1500	Guided Tour - Atlanta Area
Sun	7/18		Open
Mon.	7/19	0800-1700	Lectures: Factors in Plant Layout/Production Planning and Control for Small-Scale Manufacturing/ Inventory Control - Small-Scale Production
Tue.	7/20	0800-1700	Lectures: Extension Services to Small-Scale Indus- try/Generation and Evaluation of Venture Ideas/ Appropriate Technology
Wed.	7/21	0800-1700	Lectures - Cottage Industries/Development Tech- niques
Thu.	7/22	0800-1700	Area Plant Visits, Small-Scale Industry, Macon, Georgia
Fri.	7/23	0800-1200	Area Plant Visits, Macon Area
		1300-1700	Independent Research
Sat.	7/24		Open
Sun.	7/25		Open
Mon.	7/26	0800-1700	Depart Atlanta for Douglas, Georgia - Review Indus- trial Extension Activity and Visit Industrial Plants
Tue.	7/27	0800-1700	Plant Visits, Douglas Area

(Continued)

<u>Day</u>	<u>Date</u>	<u>Hours</u>	<u>Activities</u>
Wed.	7/28	0800-1700	Depart for Albany, Georgia - Review Extension Activity and Visit Plants
Thu.	7/29	0800-1700	Plant Visits - Albany Area
Fri.	7/30	0800-1700	Return to Atlanta for Debriefing and Independent Research
Sat.	7/31		Open
Sun.	8/1		Open
Mon.	8/2	0800-1700	Depart Atlanta for Augusta, Georgia - Briefing and Plant Visits
Tue.	8/3	0800-1700	Plant Visits - August Area
Wed.	8/4	0800-1700	Depart Augusta for Savannah, Georgia - Briefing and Plant Visits
Thu.	8/5	0800-1700	Plant Visits - Savannah Area
Fri.	8/6	0800-1700	Return Atlanta - Debriefing and Independent Research Evaluation
Sat.	8/7		Open
Sun.	8/8		Open
Mon.	8/9		Depart Atlanta

SMALL-SCALE INDUSTRY GRANT YEAR II



UNIVERSITY OF THE PHILIPPINES
INSTITUTE FOR SMALL-SCALE INDUSTRIES ACTIVITIES

Grant Period: January 10, 1977 to January 9, 1978



A PROGRAM FUNDED BY THE U.S. AGENCY FOR
INTERNATIONAL DEVELOPMENT

FINAL REPORT
YEAR II

UNIVERSITY OF THE PHILIPPINES
INSTITUTE FOR SMALL-SCALE INDUSTRIES
SMALL-SCALE INDUSTRY GRANT

by
Chito Alvizo
and
Donald E. Lodge

Contract No. AID/ta-c-1062

Office of International Programs
Engineering Experiment Station
GEORGIA INSTITUTE OF TECHNOLOGY
Atlanta, Georgia 30332, U. S. A.
January 1978

**INSTITUTE FOR SMALL-SCALE INDUSTRIES**

UNIVERSITY OF THE PHILIPPINES
EXTENSION OFFICE NO. 1
UP - TACLOBAN
TACLOBAN CITY, PHILIPPINES

GTRI-B-463

**FIRST QUARTER SUMMARY REPORT
(January to March 1977)**

Institute for Small-Scale Industries
University of the Philippines
Pilot Extension Office

Small-Scale Industry Project
(Industrial Extension Office I, Tacloban)
Under the USAID/GEORGIA Institute of Technology
Small Industry Grant Contract

By:

PATERNO V. VILORIA
Director
UP ISSI

March 31, 1977

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SUMMARY OF ACTIVITIES-FIRST QUARTER 1977

During the quarter, 22 firms in Tacloban City with an average employment of three were visited to assess the need for technical assistance. Fourteen inquiries were served and seven technical assistance cases were performed during the quarter.

The total of 225 entrepreneurs/individuals attended the audio-visual presentation made by the Pilot Extension Office (PEO) in five urban centers of Region VIII as part of the program of the PEO to bring its services to the other areas of the region outside Tacloban City.

Linkages with other regional offices and institutions in the area were further strengthened through the involvement of the PEO in their activities/or joint projects.

Sixteen entrepreneurs attended the Entrepreneurship Development Seminar conducted by the PEO in Maasin, Southern Leyte. Technical assistance will be rendered by the participants of the seminar during the year.

SUMMARY OF TECHNICAL ASSISTANCE

1. T.A. 03 - Mr. Ben Tadena

Project: ~~Poultry~~

Palo, Leyte

Employment: 4

He is expanding his business to poultry feeds and veterinary products dealership. He will open a store at the public market for this purpose and at the same time distribute his poultry meat products and broiler chicks. The expansion will generate additional sales of P5,000 per week and additional 2 workers.

He was assisted in securing the taxes and licenses for the new business.

2. T.A. 04 - Bienvinido Tonelete

Project: Charcoal

Pinamopoan, Leyte

Employment: 20

Mr. Tonelete finally agreed to negotiate directly with the export trader in Cebu City who will give him better prices for his charcoal. He will be able to earn P127.90 more per ton of charcoal. He agreed to deliver five tons initially for the first week. This will benefit the farmers who supply him with charcoal since Mr. Tonelete could give better prices. The PEO facilitated this contact.

3. T.A. 08 - Mr. Melvin Mate

Project: Coconut Oil Mill (proposed)

Jaro, Leyte

The proponent is still in the process of negotiating for a loan. He made a loan arrangement for a \$2 million loan with a foreign financing company through its local broker. Since the funding company channels its funds through an intermediary bank in the Philippines, Mr. Mate has to get a bank willing to accept the funds. The PEO represented Mr. Mate in the meeting with the intermediary bank in Manila and the loan broker. In this meeting, the terms and conditions of the financing plan were discussed and the bank

did not come to term with the condition on collaterals. The agent, however, will still confirm this issue with the principals abroad.

4. T.A. 010 - Socorro Robasto
Project: Garment
Tacloban City
Employment: 3

Identified Problems:

The business which started operations in November 1972 made only 5.4% of its projected sales compared to its projected sales of P4,933.50. Employment which started at 7 went down to only 3 this quarter.

Several factors led to this poor performance, primary of which is inadequate working capital. The total working capital granted by the Development Bank of the Philippines for the project amounted to P28,000 which should have been sufficient to support targetted sales. Mrs. Robasto revealed that the whole amount was not invested in the business since approximately P20,000 was utilized to pay for the building and building improvements. Although this is a clear violation of the loan agreement, the proponent stated that they were not able to raise their own equity intended for the purchase of the building and building improvements. In the loan application they made it appear that the equity has been raised.

Another contributory factor is high mark-ups on cost of production resulting in non-competitive prices. She adds as high as 100% mark-up on direct cost.

Action:

1. She was advised to raise the required equity through short term borrowings. Since she does not have the collateral to secure additional loans from other banks, she was advised to request for additional working capital from the Development Bank of the Philippines. She was required to prepare a statement of expenditures to support such request.
 2. Negotiate for trade credit on raw materials. It seems that the husband is averse to this type of borrowing for fear that it might tie down the business further in debts.
 3. The proponent was instructed to use a model cost sheet in order to determine estimated cost as a basis for pricing decisions.
5. T.A. 012 - Vedasto Mendoza
Project: Fabrication of steel gates and windows
Tacloban City
Employment: 4

Completed the project proposal for submission to the Development Bank of the Philippines to support his loan application.

6. T.A. 013 - San Juanico Industries Inc.
Project: Soft Drinks Wooden Boxes
Tacloban City
Employment: 22

Identified Problems:

Based on the study made, the following areas were recommended for improvement:

1. Improvement of the productivity of the following machines:
 - a. Swing type trim saw
 - b. Band saw
2. Material handling and waste disposal system.

Findings:

1. The swing saw operator who trims the different box parts into the required dimension spends about a half of the production time in picking up the materials to be cut and making it ready for cutting.
2. Based on the ratio study conducted, it has been establish that only 50% of the production time is being utilized for direct productive work while 30% is being utilized by the band saw operators in the re-sharpening of the band saw blades. The presence of materials to be cut and waste materials around the band saw operator also slows down productivity.
3. Some of the machine operators would sometimes wait for the utility men to bring the raw materials to be processed. For lack of handling system, the utility men handcarries the raw materials resulting in lost time in going back and forth for the materials. Waste materials which pile up near the workplace of the machine operators slow down production.

Recommendations:

1. Assign an assistant to help the trim saw operator in picking up the materials for cutting. Production of this operator could be doubled and at the same time provide sufficient input to the next moulding operation.
2. Provide standby blades which could be utilized by the band saw operator for immediate replacement of dull blades. Another unskilled worker should be assigned to sharpen blades in order to utilize effectively the manhours of the band saw operator.

3. For its material handling system, transport carts were designed for the proponent to carry raw materials and waste materials to and from the workplace of the machine operators. A cemented pavement around the factory area leading to the dumping area for waste materials has to be provided as a passage way for the carts. Each cart is estimated to cost P646.47 and 12 units are initially recommended for the expected volume of production.
7. T.A. 014 - Leyte Rattan Arts
Product: Rattan Furniture
Tacloban City
Employment: 11

Project proposal in process. This will be submitted to Development Bank of the Philippines as part of the loan application.

INQUIRIES SERVED

1. Mr. Daniel Bohol
Owner/Manager, Kennedy Press
Catbalogan, Samar
Employment: 4

Identified Problem:

The firm employs 4 workers and has 3 units of Minerva (12" x 18") printing machines, one (1) unit of which makes 1,000 impressions per hour, a letter cutter (30"), and a perforating machine. He plans to transfer to the ground floor of Tony's kitchen and Hotel, which is located at the heart of the commercial district, and expand his business there.

He needs a project study to find out the viability of the project.

Action

The PEO wrote fourteen (14) different printing machine suppliers to ask for price quotations of their Linotype machines, Intertype line composing machine, automatic letter cutter and three (3) more Minerva printing machines.

Has delivered to him some of the quotations received. He decided to proceed to Manila to look into the equipment of one of the suppliers.

2. Mr. Ramon Co
Owner/Manager
Avenue Lumber Company
Product: Soft drink/beer wooden boxes
Catbalogan, Samar
Employment: 60

The lumber company will soon operate a newly constructed soft drinks/beer cases manufacturing plant, which is located six (6) kms. northwest of Catbalogan Samar.

The plant has 20 bandsaws expected to assemble 1,000 cases per month. In addition to direct employment of 60, 200 people indirectly benefit from the project.

During the ocular inspection, Mr. Co revealed the problem of unfavorable electric rates, although at present there are no electric lines from the town proper to the plant. He has 2 generators but wants to use these as stand-by power once the power lines have been installed by the Samar Electric Company (SAMELCO), however, he wants to be assured that he will be charged the industrial rate. SAMELCO does not extend industrial rates at the moment, only commercial rates. This factor according to him will affect his operations in the long run since his utility cost will surely increase.

A letter was sent to the Chairman of the Board of SAMELCO to inquire on the possibility of extending the industrial rate to the plant based on employment opportunities provided by the company for the community. The Board, however, will decide on this as soon as the additional generator for the area will be operational late this year.

3. Mr. Ramon de la Cerna
Owner, De la Cerna Woodcraft
Product: Woodcraft items
Employment: 40

Identified Problem

Manufactures woodcraft items for domestic and export sales. previously employed about 100 workers and lately decreased its work force to 40 due to low demand from the export market. He has been exporting his products through the parcel post for several years and with the increase in postal rate, buyers abroad find it expensive to from him.

Recommendations

He was advised to ship his goods through the freight forwarders or share container space with existing exporters. Considering that he ships only a few items at a time he finds it expensive to follow our recommendations. He insists that the parcel post is still the best accommodation and hopes that we could intercede with the postal authorities to decrease postal rates.

4. Napoleon Balase
Product: Bricks (proposed)
Catarman Samar

Identified Problem

Project feasibility study to be submitted to the bank for financing of his project.

Recommendation

He was referred to the MASICAP, a government agency in-charge of project preparation for financing purposes. Will be followed-up next quarter to determine status.

5. Mr. Teofilo Llanera
Industry: Fishpond/Prawn Culture
Jiabong, Western Samar

Identified Problem

Has a four hectare fishpond undergoing development for prawn culture. His application for this area, however, has been pending with the Bureau of Fisheries and Aquatic Resources (BFAR). A field survey team is supposed to conduct a survey before the application is acted upon by the BFAR.

Action

Wrote to the BFAR inquiries on the status of the lease application and schedule of the field survey team. No reply received.

6. Mr. Mito Oral
Product: Shellcraft Items
Catbalogan Samar
Employment: 4

Identified Problem

Limited market for his products. He wants a regular marketing arrangement.

Action

He was advised to seek marketing tie-ups with existing export traders in Manila or Cebu. He was also given a sample order shipment from abroad which was received by the Extension Office. He showed interest in making an initial sample shipment.

7. Mrs. Divina Regis
Industry: Freshwater fish farming (proposed)
Tacloban City

Identified Problem

A graduate of the EDP conducted by the ISSI in Tacloban in 1974, she lacks the necessary capital to start her proposed project. The Rural Bank of Tacloban has shown interest in her project but the specific funding from the Central Bank for agricultural projects is still awaiting implementation.

Action

Made representations with the Rural Bank to determine the requirements of the loan. The bank requires a project feasibility study and will wait for the go signal from the Central Bank regarding the loan program for this specific project.

8. Gov. Henry Regalado
Governor, Misamis Oriental
Mindanao

Inquired on the existing small-scale coconut oil mill project in Region VII.

He was informed that there are existing small-scale oil mill plants in the region. He was advised to inquire in Cebu or Manila where such mills exist.

9. Mr. Jose Petinio
Project: Garment (proposed)
Tacloban City

A fashion designer, he plans to establish a ready to wear garment project in the City with another business associate. They approached a local bank for financing and was required to prepare a project study to support the loan application. They have all the necessary information for the feasibility study but needs guidance in the compilation of the final study.

He was advised to see the bank first and determine the terms and conditions of the loan and other details. Upon follow-up of the project, the PEO was informed that the bank waived the study requirement and instead required them to put up a 20% equity on the loan applied for. The loan application is being processed by the bank.

10. Mr. Max Rambano
Project: Woodcraft (proposed)
Burauen, Leyte

Plans to establish a woodcraft factory but lacks financing. He asks for assistance in the preparation of a project feasibility study which he could submit to the bank for financing.

He was advised to see the bank for the details of the financing and explore the market first before doing anything else. He does not have the experience nor the skill to embark on this type of project.

11. Mr. Alfredo Guinto
Wooden Sandals
Burauen, Leyte

Inquired on the services rendered by the PEO.

Briefed accordingly.

12. Mr. Reinario Villaflores
Duck and Goose Raising
Catbalogan Samar

Rosa Verzosa
Pork Production
Catbalogan, Western Samar

Francisco Castillo
Bakery
Catbalogan, Western Samar

Feasibility study for financing.

For follow up.

INDUSTRY PROMOTION

Tacloban Ironworks and Engineering Industries Association

To provide an integrated assistance to the machine shop, automotive and agri-implement shops in the city, the PEO initiated an organization of this industry sector, which is a large segment of the industrial service sector of the City. The following activities so far were undertaken:

1. An audio-visual presentation was made to a selected member of the industry wherein management films (work study, industrial extension) were shown.

In this meeting, the entrepreneurs presented the following common problems:

- a) Lack of funds for short of long-term needs.
- b) Lack of skilled manpower
- c) Unfair competition

It was in this first meeting that the entrepreneurs proposed the organization of the industry primarily to promote the economic benefits of the members through a common effort to solve common problems. Eighteen firms were present in this acitivity.

2. Organizational meeting

The members present, elected a set of officers consisting of the President, Vice-President, Secretary, Treasurer and two Auditors. They were inducted into office and made the PEO officially as the adviser to the organization. The following is the breakdown of the membership:

Electrical Shops	11
Machine Shops	5
Farm Implements	5
Automotive and welding shops	<u>27</u>
T o t a l	<u><u>48</u></u>

3. First Monthly Membership Meeting

In this first monthly meeting, the membership conducted workshop sessions on problem areas of the industry. The following topics were covered

a. Financing and pricing

The members agreed to establish a sort of a guarantee fund for the short term financial need of the members. Each member contributes a fixed amount and the total fund collected will be deposited as a time deposit with a local bank. A loan application from a member will be submitted by the organization to the depository bank with the time deposit as guarantee. The details of this plan will be drawn up by the finance committee.

The members also agreed to standardize prices to check on unfair competition.

b. Human relations and Employee Relations

They agreed to standardize wage rates and hold apprenticeship training to solve the scarcity of skilled manpower.

They agreed further to adopt rules and regulations to minimize the pirating of skilled workers and discourage workers from working with different shops at the same time.

c. Quality Control

In principle they agreed to exchange expertise in the field of quality control by holding lecture series on the different aspects of production in the industry.

They further agreed to standardize prices as a means to classify the different jobs done by the industry.

Economic Contribution of the Industry Sector

The average employment of each member industry is around 5

The industry services the industrial sector of Northern Leyte and part of Western Samar.

Furniture Industry

Another audio-visual presentation was made to a group of furniture manufacturers in Tacloban and Abuyog, Leyte. The shop-owners attended the presentation after which a dialogue with the entrepreneurs followed centering on the problems of the industry. Among the problems discussed were:

1. Inadequate funds to purchase raw materials
2. Shortage of raw materials specifically narra brought about by the ban on the cutting of narra wood specie.
3. Poor quality of lumber products since there is no kiln drying facility in the area.
4. The zoning ordinance of the City caused some difficulties to some entrepreneurs expanding their present facilities since the City Mayor has stopped giving renewal of factory building permits to areas classified as residential or commercial.

The Pilot Extension Office held a conference with the industry the City Planning Development Coordinator regarding the fourth problem of the latter stated that the owner/entrepreneur could sign a waiver for the intended construction if his lot is affected by the proposed City Zoning Ordinance for a period of five years. This information has been relayed to the entrepreneurs affected.

Other problems will be discussed with the entrepreneurs concerned.

Industry Promotion in the Countryside

The PEO initiated the promotion of small-scale industries in Maasin, Catbalogan, Calbayog, Baybay and Ormoc. The activities consist of film showing on management subjects, slide presentations, dialogue with the entrepreneurs on problem areas, and introduction of the PEO's services and other government bodies involved in industrial extension.

In these five areas, 225 entrepreneurs/individuals attended the presentation. Breakdown follows:

Services	13%
Agriculture	13%
Manufacturing	22%
Trading	26%
Institutions (government, civic)	15%
Unclassified	11%
T o t a l	<u>100%</u>

A follow-up program has been designed to assist those interested to set up their own businesses expand their present business or solve problems encountered by the entrepreneurs.

TRAINING

To integrate the technical assistance to small-scale industry entrepreneurs, to provide a client-base in the countryside and to strengthen the management capabilities of the indigenous entrepreneurs, a 32-hour Entrepreneurship Development Seminar is being held in Maasin, Southern Leyte (186 kms. from Tacloban City, 5 hours drive). Sixteen (16) entrepreneurs/individuals are attending the program coming from Maasin (capital town of Southern Leyte) and surrounding towns. The course will end on April 17 after which individual follow-ups will be made by the PEO with regards to their individual projects.

The seminar includes a one-day achievement motivation training and specific management subjects in marketing, production and finance.

Lecturers were invited from SBAC, NMYC, DWU and the staff of the PEO. It is being co-sponsored by the Office of the Governor, Southern Leyte.

Refer to Annex A for the profile of participants and the program outline.

LINKAGES WITH OTHER AGENCIES/INSTITUTIONS

1. The Divine Word University

Attended the conference sponsored by the DWU to thresh out the role of the University in the development of the region. The participating agencies provided the University official with insights on the plans and programs of the government in the development of the region and problem areas encountered by these agencies. The group decided on the following plans:

- a. Involvement of the University in the entrepreneurship development program through the inclusion of entrepreneurship courses in the curriculum of the University. The University will create a professorial chair on entrepreneurship development which will be chaired by the different government agencies and civic institution.
- b. Involvement of the faculty in the Entrepreneurship Development Seminar which will be launched by the different government and civic agencies as a joint project.
- c. Re-study the existing curriculum of the University, specifically its business courses, to make it more relevant to the needs of the region.

2. Sab-A Basin Development Authority/National Cottage and Development Authority (NACIDA and Leyte Development Staff (LDS)

Conferred with these agencies on the project proposal submitted by the PEO on the establishment of a cottage industry in one of the barrio Barangay San Paglaum. The project is intended to provide supplemental income to 30 farmer settlers. Marketing assistance will be undertaken by NACIDA; funding by Sab-A Basin Development Authority and project supervision by the four agencies as a project team.

The PEO prepared the proposal based on the earlier request of the Consultant of the Authority, Mr. Benjamin Catane, Dean of UP College Tacloban.

Status: Project approved for funding by Sab-A Basin Authority for P30,000. Working agreement is pending signature of the parties involved in the project.

3. Commission on Small and Medium Scale Industries (CSMI)

Submitted a proposal to the local representative of the Commission concerning the creation of a CSMI information network for Region VIII. The objectives set are:

- a. To update the local entrepreneurs on technology and small and medium scale industry developments in general.
- b. To assist potential entrepreneurs in the identification of viable projects through available information on new products processes.

The body thus created will serve as the nucleus organization responsible for the retrieval, processing and dissemination of relevant information to the small and medium scale industry sectors. In this manner, the CSMI member agencies will be able to render an integrated information dissemination program for its common clientele, the entrepreneurs.

Status: The representatives in the meeting called for this purpose, agreed to submit the proposal to the national body for action. The PEO will endorse the project to the CSMI, Manila through UPISSI Diliman.

A similar project proposal has been submitted to Technonet Asia for possible funding. No feedback has been received.

Some of the agencies represented in the meeting were: National Economic and Development Authority, National Cottage Industry and Development Authority, Department of Local Governments and Community Development, Development Bank of the Philippines, Development Academy of the Philippines, Rural Bank of Tacloban and Trade Assistance Center.

MISCELLANEOUS ACTIVITIES

1. Discussed with Kay Powell during her nine-day visit to the field office, areas on industrial development promotion and some operating procedures of the office. We have drawn up a plan of action and timetable for the industrial promotion activities of the office designed to attract branch plants into the region and/or encourage existing entrepreneurs to expand operations. Reporting procedures, control forms and follow up of the visits of Mr. Sherman and Mr. Lodge were also taken up during her visit.

2. Mr. Bart Duff of the IRRI provided us with some technical advise for the agricultural machinery producers in the area. He suggested a production sharing plan for the producers and gave some materials on the latest designs of IRRI models for dissemination to the agri-machinery manufacturers in the area.
3. Miss Lourdes Abrugar, Senior Research Assistant of the PEO underwent a two-month Industrial Extension Training Course at UP ISSI Diliman as a representative of ISSI and sponsored by Technonet Asia.
4. Invited by the National Science Development Board - Regional Office to lecture on "How to Start a Small-Scale Industry" to the participants of the seminar-workshop on Food Preservation Techniques and Fermentative Food Processes.
5. Invited by the National Media Production Center as guest of the program "Pulong-Pulong Ha Kahanginan", a program designed to bring the government closer to the people through the discussions of the programs, projects and services of the various government agencies in the region.

SPECIFIC PLANS AND PROGRAMS FOR THE 2nd QUARTER

1. Follow-up of the projects generated in Catbalogan, Calbayog, Maasin, Baybay and Ormoc.
2. Conduct Entrepreneurship Development Seminar in Catbalogan, Samar in June.
3. Conduct audio-visual presentation in Catarman and Borongan Samar.
4. Prepare for the 2nd video-tape documentation of technical assistance cases.
5. Implement recommendations made by Kay Powell regarding the new numbering system of technical assistance cases and control forms.

FINANCIAL REPORT
First Quarter-1977

Funds Available - 1st Release -		\$5,621.25
Less: Expenditures		
Personal Services	\$2,128.99	
Maintenance and other		
operating expenses		
a. Travel-domestic	490.51	
b. Materials & supplies	502.84	
Equipment	<u>286.42</u>	<u>3,408.76</u>
Balance, March 31, 1977		<u>\$ 2,212.49</u>

Conversion rate: \$1 : P7.3836

UPISSI EXTENSION OFFICE NO. 1
TACLOBAN CITY

File No. _____

QUARTERLY STATISTICS REPORT

I. PROJECT ACTIVITY

	Q U A R T E R				
	1st	2nd	3rd	4th	Total
No. of T.A. Projects initiated	14				
No. of T.A. Projects terminated	5				
No. of T.A. Projects active	9				

UPISSI EXTENSION OFFICE NO. 1
TACLOBAN CITY

File No. _____

QUARTERLY STATISTICS REPORT

II. EMPLOYMENT GENERATION

FILE NO. (T.A. No.)	1st	2nd	3rd	4th	TOTAL
03	4				
04	20*				
07	2				
09	-				
10	3				
11	-				
12	4				
13	22				
14	11				

* Approximate number of family-members involved in the project.

- Proposed projects.

ENTREPRENEURSHIP DEVELOPMENT SEMINAR
Sangguniang Panlalawigan Session Hall
Provincial Capitol Building
Maasin, Southern Leyte
(March 12-April 16, 1977)

*** **

L I S T O F P A R T I C I P A N T S

No.	Name/Educational Attainment	Position	Company/Office Address	Residence Address	Project
1.	ABERASTURI, Domingo F. BSME, CIT	Bulk Plant Supervisor	Mobil Bulk Plant Malitbog, So. Leyte	Malitbog, So. Leyte	Warehousing
2.	ALCANTARA, Elena T. College undergrad.	Member	Samahang Nayon Macrohon, So. Leyte	Rizal St., Macrohon, So. Leyte	Hollow blocks
3.	GLORIA, Angel B.			Ichon, Mac- rohon, So. Leyte	Cottage Industry: Handicraft
4.	JUNIO, Rodulfo M. BS, Southwestern University	Sangguniang Bayan - Secretary	Malitbog, So. Leyte	San Vicente St., Malitbog, So. Leyte	Warehousing
5.	LEONOR, Manuel C. College undergrad.	Barangay Councilman	Abgao, Maasin So. Leyte	San Vicente Abgao, Maasin So. Leyte	Coco-charcoal
6.	OLO, Lolita C. NGH School of Nursing (Manila)	Farm Manager	Sogod, So. Leyte	Sogod, So. Leyte	Coco by- products
7.	ORTIZ, Narcisa P. 4th yr. High School	Manager	Ortiz Fibercrafts, Bo. Bantig, San Rafael, Maasin, So. Leyte	San Rafael Maasin, So. Leyte	Fibercraft
8.	SALA, Ismael C. College Undergrad, USC			Malitbog, So. Leyte	Hollow Blocks
9.	SIA, Felipe R. College Under- grad, CIT	Assistant Manager	Golden Gate, Bakery, P. Burgos So. Leyte	Real Street Padre Burgos, Southern Leyte	Fish Culture
10.	SIA, Juana R.	Owner:Manager	Golden Gate Bakery, P. Burgos, So. Leyte	Real St., Padre Burgos, So. Leyte	Salt Making

- | | | | | | |
|-----|---|------------------------------|---|--|----------------------------|
| 11. | SIAO, Romeo B.M.
BSCh E (4th yr.)
Adamson | Municipal Project
Officer | Municipal Development
Staff, Municipality of
Padre Burgos,
So. Leyte | Lungsodaan St.
Padre Burgos,
So. Leyte | Piggery |
| 12. | SIEGA, Teodela T.
A.A., Tomas Oppus
Community College | Underwriter | The Insular
Life Assurance
Company, Ltd. | No. 6 San
Antonio St.,
Sogod, So.
Leyte | Ice Plant/
Cold Storage |
| 13. | Yñiquez, Gabriel O.
BSFS (Int'l. Relations),
UP Political Theory (units),
UP | President | Sabas Arrastre
Service,
Maasin, So.
Leyte | Pugaling,
Maasin, So.
Leyte | Warehousing |

EPN:au²/3-15-77

- | | | | | | |
|------|-------------------|---------------|-------------------------|--|---------------------------|
| 114. | Sala, Anatalio V. | | | Padre Burgos
So. Leyte | Salt Making &
Fishpond |
| 15. | Gaviola, Angelita | Owner/Manager | Gaviola's
Fibercraft | San Rafael
So. Leyte | Fibercraft |
| 16. | Amit, Antonio L. | Supervisor | G.I. Amit
Furniture | 73 R.K. Kang
Leon St.
Maasin, So.
Leyte | Furniture |

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INTRODUCTION

On January 31, 1977, the Agency for International Development (AID) funded, for the fourth consecutive year, Contract No. AID/ta-c-1062, through which the Georgia Institute of Technology (GIT) was to make available \$45,000 grants for small-scale industry development programs to four institutions of higher learning in different geographic regions of the world. Three of the four grants would be for the continuation of existing programs with counterparts selected in 1974 and 1975; the fourth grant was for a new counterpart selected in 1977.

Of the three grants for the continuation of existing programs, one went to the University of the Philippines Institute for Small-Scale Industries (UP/ISSI) in Quezon City, Philippines. This document is the final or end-of-the-year report for the work jointly performed by the staffs of UP/ISSI in the Philippines and the Office of International Programs (OIP) of Georgia Tech in Atlanta, Georgia.

When the grant was initiated in 1974, the administration of GIT and the sponsor established the following criteria for the selection of grantee institutions:

1. Suitability of the national macroeconomic framework for local business conditions.
2. Existence of practicing or potential entrepreneurs.
3. Community concern over unemployment.
4. Existence of potential markets for additional products.
5. Linkages (current or potential) with educational, financial, and business communities.
6. Quality of the staff.
7. The institution's potential for utilizing the grant effectively.
8. Potential multiplier effects.
9. Host government commitments.

At the end of the second year of this program, the following results are indicative of the work performed:

1. Work was begun on a program of industrial development for Region VIII.

2. A seminar on entrepreneurship was held, with 16 persons graduating.
3. A working agreement was signed with the Divine Word University for the sharing of resources by the two schools. This gives the pilot extension office staff access to a machine shop.
4. Twenty-two firms were provided with technical assistance during the year.
5. A survey of firms receiving technical assistance during 1977 shows a gain of 47 jobs -- a 31% increase over the period during which technical assistance was being provided.
6. The members of the pilot extension office staff participated in the Industrial Extension Training Course held on the main campus of the University of the Philippines.
7. One member of the pilot extension office staff received training from the Office of International Programs, Georgia Institute of Technology.
8. A five-day workshop/seminar on the concept and practice of entrepreneurial development was proposed and coordinated by the staff, in cooperation with nine private and government agencies and ten colleges and universities. Twenty-three college and university faculty members were graduated from the workshop/seminar.
9. Work was begun during the second quarter of 1977 on a training program on fermentative food processing and food preservation. The pilot extension office will receive ₱15,000 for studies related to this program.
10. A trade organization of automobile and metalworking shops located in Tacloban was formed, due to the work of the pilot extension office. Representing 48 firms, it is called the Tacloban Ironworks and Engineering Industries Association.
11. One hundred thirty six apprentices were graduated from a skills training program for automotive and machine shop workers. This program was conducted by the Tacloban Ironworks and Engineering Industries Association with assistance from the pilot extension office staff.

12. The staff designed a cart for handling material and waste in a wood products plant. The carts will be acquired upon approval of a bank loan.

13. The staff designed and constructed a wood lathe which is being used successfully in a furniture plant. This has eliminated the need to purchase turnings from off Leyte Island and has increased this manufacturer's capability for product diversification.

14. Work has begun to adapt an improved band-saw design for use in the wood products plants located in Region VIII.

15. The audiovisual documentation for Year II was completed.

16. Five project feasibility studies were prepared.

17. The staff completed a survey of small industry in Region VIII which included data on employment and problems encountered by these firms.

PROGRAM PLANS FOR YEAR II

Background

The University of the Philippines Institute for Small-Scale Industries (UP/ISSI) has directed its efforts since 1966 to the support of small-scale industry and entrepreneurial development in the Philippines, concerning itself particularly with appropriate support for rural development.

In behalf of Philippine small-scale industry, the UP/ISSI activities have included management training, in-plant technical assistance support, entrepreneurial development, management and technical data development and dissemination, as well as the continuing and successful advancement of its own professional and executive capacities.

In August 1975, a request for assistance in the establishment of a pilot rural extension office for small and medium-scale industries was made by UP/ISSI to the Economic Development Laboratory (now the Office of International Programs) of the Georgia Institute of Technology. This widening of the ISSI professional capacities, particularly the intensification of its programs for direct rural development activity, was in response to government executive directives to government operating agencies to intensify efforts for the establishment of appropriate industries in regions outside the Greater Manila area.

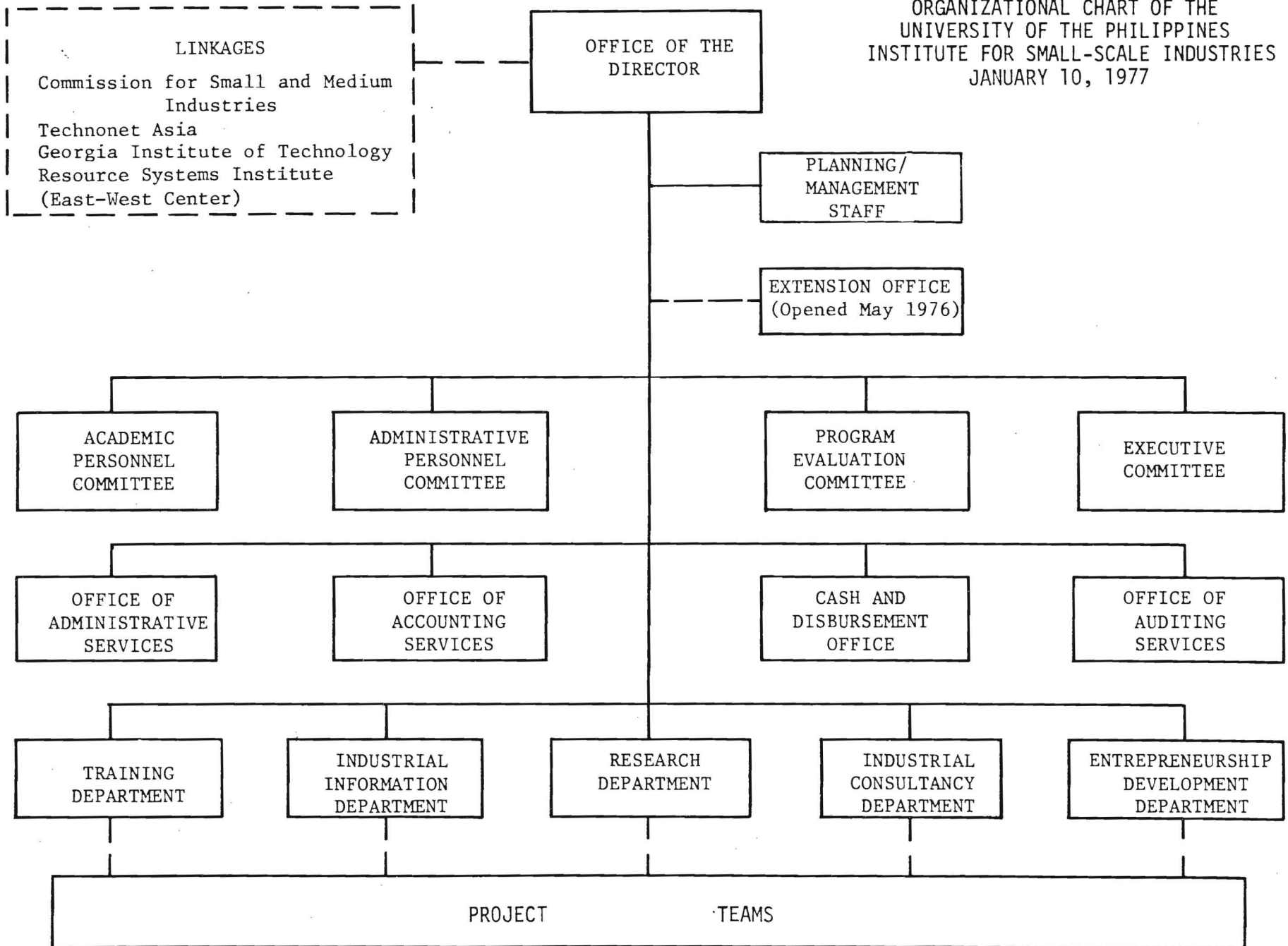
The beneficiaries of the successful Institute programs for the development of small and medium-scale industries had been limited largely to urban areas, essentially to the Manila urban area. The inability of UP/ISSI to effectively reach rural areas resulted from a continuing lack of both manpower and budget resources.

The development of further Government of the Philippines support to permit UP/ISSI to widen and direct its capacities to rural objectives has been abetted by this grant and by the technical cooperation of the Georgia Institute of Technology (GIT).

At the time the Year II program was initiated, the UP/ISSI organizational structure was as presented in Figure 1. For UP/ISSI, Mr. Paterno V. Vilorio has been designated Counterpart Project Director. Mrs. Sonia Aquino is Counterpart Project Coordinator. Mr. Nelson C. Wall is Project Director for the Georgia Tech support activities to this program and Mr. Donald E. Lodge is the Project Coordinator for Georgia Tech.

FIGURE 1

ORGANIZATIONAL CHART OF THE
UNIVERSITY OF THE PHILIPPINES
INSTITUTE FOR SMALL-SCALE INDUSTRIES
JANUARY 10, 1977



General Objective

As a pilot effort, UP/ISSI, with support from GIT, is to design and establish an extension office to accommodate industrial development needs within Region VIII (Eastern Visayas) of the Philippines. Region VIII covers the provinces of Northern Samar, Eastern Samar, Western Samar, Leyte, Southern Leyte, and the subprovince of Biliran.

With intent to closely adhere to the UP/ISSI performance standards at Quezon City (UP/ISSI principal office), the specific objectives of the extension office at Tacloban City, Leyte, are to include, as stipulated by Republic Act 6041:

1. To undertake the continuous conduct of consultancy, training courses, periodic seminars, and technical studies in the field of medium- and small-scale industries, with emphasis on Philippine industries;
2. To undertake technical studies and research as requested by various government agencies concerned with industrial development, by interested private industries, and by others concerned with industry;
3. To undertake research studies for the promotion of small-scale industries;
4. To undertake the publication of studies, monographs, research papers, articles, and other written works on small and medium-scale industry, with emphasis on those related to the Institute's objectives, for distribution to government agencies, private industry, and other interested parties; and
5. To perform all other acts as may be necessary for the achievement of its objectives and functions in accordance with the rules and regulations of the University, including the granting of research awards, prizes, scholarships, and fellowships.

In the performance of these functions, the extension office is to be fully directed and otherwise supported by the ISSI senior staff at Quezon City. The extension office staff will call upon the ISSI main office and its cooperating agencies for specialized and specific areas of assistance on a project-to-project basis as required.

Total Project Goals of the AID/ta-c-1062 Contract

At the start of the Small-Scale Industry Grant on January 23, 1974, the following total goals had been established by the Agency for International Development for the Georgia Tech Grant, to be achieved over a period of four years:

The general objective of this contract is to generate employment in developing countries, particularly outside the metropolitan centers, by: (a) strengthening the capability of a selected institution in each country to provide effective technical assistance to local small industry, (b) demonstrating and documenting the impact of alternative approaches to technical assistance to small industry, and (c) infusing the governmental, industrial, and financial sectors of the local community selected to provide employment with an understanding of the techniques of generating jobs. The above objective will be carried out through the use of grants to selected Lesser Developed Country (LDC) organizations.

Once the total project goals are reached, the sponsor anticipates the following outputs:

1. Increased job opportunities in four countries.
2. Increased viability of indigenously owned enterprises.
3. Improved capability of four LDC institutions to serve small industry.
4. Tested methodologies for strengthening LDC institutions.
5. Evaluation reports on successes and failures in assisting small industry.

All the specific program objectives for Year II in the Philippines were met, plus several additional accomplishments which were listed in the Introduction and which will be amplified in the balance of this final report. The meeting of these objectives supports the continuing establishment of project goals set forth by the AID/ta-c-1062 contract.

Program of Work

On the basis of the program of work which had been suggested in the original UP/ISSI proposal, the project administration established the following activities for the second program year, all of which were implemented:

1. Training
 - management and technical courses (short- and long-term)
 - seminars for selected industries

- seminars on entrepreneurship
- 2. Research
 - provincial surveys
 - industry profiles/studies
 - technological studies
 - product research
- 3. Extension Services
 - general information: handouts and reports
 - general management consultancy
 - direct plant assistance
 - project feasibility studies
 - industry and entrepreneurship promotion on the regional level

More specific goals for Year II include the following:

1. Develop a program of industrial development aimed at attracting new branch plants of firms headquartered outside Region VIII. Such a program also will aid indigenous entrepreneurs who wish to establish plants or to expand existing plants in the region.
2. Conduct a seminar on entrepreneurship development to be held in Region VIII for new or potential entrepreneurs.
3. Formulate a working agreement with the Divine Word University in Tacloban City regarding the use of its engineering laboratories.
4. Continue to maintain contact with the existing industry of the region with intent to establish confidence in the extension office staff and its activities.
5. Continue to upgrade, through training and recruitment, the skill level and performance effectiveness of UP/ISSI staff.
6. Continue to seek out and establish linkages with other national and international agencies and organizations involved in or related to small-scale industry or appropriate technology.
7. Introduce the services of the extension office in the other parts of the region; specifically, Osmoc, Baybay, Maasin, Calbayog, Catbalogan, and Catarman. Small industries in these areas will be visited in order to determine needed areas of assistance.

8. Sponsor participation of one of the extension office staff members in an Industrial Extension Training Course which will be held on the main campus of the University of the Philippines.

Use of Grant Funds by UP/ISSI

For the 1977-1978 Grant Year (January 10, 1977-January 9, 1978), the grantee was funded in the amount of \$45,000 from USAID and \$3,132 from the University of the Philippines. Disbursement was accomplished as shown in Table 1.

Table 1
DISBURSEMENT OF GRANT AND OTHER PROJECT FUNDS
UP/ISSI - YEAR II
(in U. S. dollars)

	From USAID		From Univ. of the
	<u>UP/ISSI</u>	<u>GIT</u>	<u>Philippines</u> <u>UP/ISSI</u>
Personal Services	\$ 9,400	\$13,000 ^{1/}	\$3,132
Travel - Domestic	1,300	-	-
Travel - Foreign	2,900	5,000	-
Materials & Supplies	6,900	4,500	-
Equipment	<u>2,000</u>	<u>-</u>	<u>-</u>
Total	\$22,500	\$22,500	\$3,132

^{1/} Includes the authorized GIT overhead and retirement charges.

UP/ISSI EXTENSION OFFICE ACTIVITIES DURING PROGRAM YEAR II

The activities reported for the UP/ISSI extension office at Tacloban City, Leyte, were performed under the supervision of the Counterpart Project Director, Mr. Paterno Vilorio, Director, UP/ISSI, Quezon City, and the Counterpart Project Coordinator, Mrs. Sonia T. Aquino, Associate Director, UP/ISSI, Quezon City. The Officer-in-Charge at Tacloban City during January-October was Mr. Ignacito V. Alvizo, and from November onwards was Mr. Ed Kakanay. The following sections highlight the activities for the year.

Program of Industrial Development

In March, the pilot extension office staff prepared, with assistance from Ms. Kay Powell of GIT, an industrial development program for Region VIII. (See Appendix 1.)

During Year II, the pilot extension office conducted a number of studies in order to provide a data base for use in the program of industrial development. These included a survey of small-scale industry on Leyte, a study of incentives for rural small-scale industry, five project feasibility studies, and a directory of manufacturers in Region VIII. The project feasibility studies were on a sash factory, a welding shop, a rattan furniture plant, a wooden furniture plant, and a memorial park/mortuary/casket manufacturing plant.

Seminar on Entrepreneurship

A seminar on entrepreneurship development was held in Maasin, Southern Leyte, during the first two quarters of 1977. A total of 16 participants were graduated from this seminar. Profiles of the graduates appear in Appendix 2.

One feature of the seminar program was to provide follow-up consultancy to the graduates. As of the last visit in Southern Leyte, one new venture project had been approved by the Development Bank of the Philippines (DBP) for financing. The start of operations awaits the delivery of machinery. Two similar industries with aggregate employment of 20 were established right after the end of the seminar. One expansion project with 14 workers was awaiting approval by the DBP. A new venture which will utilize indigenous resources will be proposed.

The same seminar was scheduled to be held in Catbalogan and Ormoc City. However, there were only six registrants for the proposed program in Catbalogan, and the proposed cooperating agency in Ormoc City was busy with semestral break activities. Therefore, these two seminars were cancelled.

Working Agreement with Divine Word University

A formal working agreement was signed with the Divine Word University (DWU), located in Tacloban, Leyte, in which the extension office and the University agreed to share resources in the promotion of entrepreneurship in the region. The most tangible result of this agreement was the fabrication by a member of the extension office staff in the DWU machine shop of a wood lathe for use by a furniture plant.

Contact with Existing Industry

The pilot extension office continued working during 1977 with 11 firms that had requested technical assistance during 1976. Seven of these firms are located in Tacloban City; two are located in Jaro; and one each in Palo and Pinamopon. All are on the island of Leyte.

Eleven additional technical assistance cases were opened during 1977. Only one of these companies is located in Tacloban City; seven are in rural areas of Leyte; and three are on the island of Samar.

Details of the work done for these firms appear in Appendix 3, "Summary of Technical Assistance Cases."

A survey of the firms receiving technical assistance shows a gain of 47 new jobs in Region VIII, an increase of 31% over the period when technical assistance was being given. (See Table 2.)

Training of Extension Office Staff

Ms. Lourdes Abrugar, Senior Research Assistant with the pilot extension office, received a fellowship from Technonet Asia to attend a two-month Industrial Extension Training Course at UP/ISSI.

Mr. Teodulo Gotico, Research Assistant with the pilot extension office, also participated in the two-month Industrial Extension Training Course.

Table 2
EMPLOYMENT GENERATION WITHIN ASSISTED FIRMS, YEAR II

Case No.	Employment		Variance
	Start	Present	
1	0	0	0
2	4	4	0
3	2	2	0
4	20	20	0
5	3	3	0
6	*	*	*
7	*	*	*
8	*	3	3
9	5	5	0
10	18	22	4
11	11	8	-3
12	2	3	1
13	*	*	*
14	2	2	0
15	29	29	0
16	**	**	**
17	5	7	2
18	5	6	1
19	25	60	35
20	3	3	0
21	3	7	4
22	<u>14</u>	<u>14</u>	<u>0</u>
	151	198	47

* Proposed project, business not yet established.

** This firm, excluded from employment count, has had to curtail employment by 78 (from 106 to 28), due to a government ban on cutting its major raw material. The pilot extension office has taken action on this matter, which now awaits government response. (See Case 16, Appendix 3.)

Source: Pilot Extension Office, UP/ISSI, Survey Data, Fourth Quarter 1977.

He also received two and one-half weeks of training in industrial extension at the Georgia Institute of Technology. The outline for this course appears as Appendix 4.

Linkages with Other Agencies and Organizations

Recognizing the need to coordinate its activities with those of other government agencies in the region, the extension office developed working relationships with other agencies in the execution of the following projects:

Introduction of Entrepreneurial Development in Business Courses at the College Level. During the first quarter of Year II, plans for a seminar on the concept and practice of entrepreneurial development were discussed in a meeting with the Project Coordinating Council (PCC), an organization composed of nine private and government agencies, religious and civic organizations and ten colleges and universities.

The extension office staff prepared the project proposal, coordinated a five-day workshop/seminar, conducted a program follow-up, and provided two staff members from the UP/ISSI-Diliman office who presented lectures on entrepreneurship during the workshop/seminar.

During Year II this program graduated 23 faculty members from the colleges and universities located in the growth centers of Region VIII. These faculty members will introduce the concept and practice of entrepreneurship among students at the college level. The seminar resulted in a syllabus of courses geared toward entrepreneurship development for first- and second-year students of business administration.

Leyte Sab-a Basin Handicraft Project. This project was conceived during the last quarter of 1976 and approved during the second quarter of 1977. It was intended to provide supplemental income to 30 farmer-settlers in Barangay San Paglaum. Skill training in basket making was undertaken by a resident skills trainer, assisted by a skills trainer from the National Cottage Industries Development Authority (NACIDA).

Although there were 30 trainees at the outset, the number of trainees in the skills training program dwindled to 11 on the day before its temporary suspension. The suspension occurred at a time when the trainee farmers were busy with the harvest and the fiesta and were being transferred to the resettlement site. It had been noted that the remaining 11 (or 21%) had progressed

well in basket weaving. The rest of the trainees were either disinterested or had other commitments. The project has not yet been revived pending the transfer of the skills trainer to the resettlement site.

The Leyte Sab-a Basin Development Authority (LSBDA) provided funding of up to ₱16,000 for working capital for a period of two years. A portion of this amount will be liquidated by the production workers after every monthly or quarterly sale of their baskets. If successful, similar training programs would be directed to neighboring towns and barrios in the Sab-a Basin.

NACIDA's commitment involves skills training and market assistance. Products not sold by NACIDA would be marketed by the LSBDA. UP/ISSI and the Leyte Development Staff (LDS) provided the project proposal, supervision management, and evaluation.

Information Network. A meeting was held with the Commission of Small and Medium Industries (CSMI) member agencies in the region to propose the organization of an information network. The project was approved in principle; however, due to problems of funding for the information network, it was scrapped. Nevertheless, the UP/ISSI pilot extension office (PEO) completed a bibliography of technical materials and journals available in its library. This project was to have been called LINK and was intended to bridge the gap in industrial information.

Fermentative Food Processing and Food Preservation. The Department of Social Services and Development (DSSD), in cooperation with the National Science Development Board (NSDB), proposed the conduct of a training program on fermentative food processing and food preservation for the clientele of the former agency. After training, the DSSD would finance those graduates who wished to engage in some kind of venture related to the skills acquired in the training program. This financing would be drawn from the self-employment assistance fund of the DSSD. The NSDB would undertake the technical training phase of the seminar, and the UP/ISSI-PEO would conduct the management and entrepreneurship training phase. In addition to its involvement in the actual training, the PEO would select a suitable site for the training program, follow up the graduates of the program, train the DSSD staff who would supervise the program, and determine the market feasibility of proposed commercial projects.

As of the beginning of the fourth quarter of 1977, a program proposal had been drawn up as a guideline for the market study. A preliminary screening of possible projects showed the following:

- o Meat processing would not be feasible, due to the lack of raw materials.
- o Food preserves that would have the most likelihood of success are balimbing and kamias (tropical fruits), guava jelly, jams, etc.
- o Crispy bolinao (dilis or small fish) would be feasible.
- o Vinegar made from coconut water definitely would be a marketable product.

The project started on September 9, 1977. Approved funds for the studies to be undertaken by the UP/ISSI-PEO totalled ₱15,000.

Restructured Manpower Training Program. Funded by the National Manpower and Youth Council (NMYC) in the amount of ₱45,000, this project benefited the members of the Tacloban Ironworks and Engineering Industries Association (TIEIA) and their workers. This association was organized by the UP/ISSI-PEO during the first quarter of 1977. The membership of the association is composed of owners/managers of machine shops, welding shops, automotive shops, electrical shops, and agricultural-implement shops. Monthly meetings were held in which an UP/ISSI staff member served as adviser. Membership totals 48, with 20-25 members actively involved in the program.

The skills training program dealt with two aspects: automotive and machine shop. The automotive training segment was divided into automotive electrical and industrial electrical; autobody building, tinsmithing, and painting; and auto mechanics. The machine shop training was divided into arc welding, crankshaft grinding, reboring, and lathe operation.

In all, 28 persons were trained in automotive electricity and industrial electricity, 25 in autobody building and tinsmithing, four in automotive painting, and 48 in mechanic skills training. In the machine shop skills training, six were enrolled in machine process arc welding, six in crankshaft grinding, five in reboring, and 14 on lathe machine operations. The total number of trainees in both programs was 136. Their instructors were all TIEIA members.

The workers/trainees' average age level was 21, and all were males. There were 44 high school graduates in the whole group, 32% of the total. The rest were high school dropouts or elementary school graduates.

The involvement of the UP/ISSI-PEO in this project consisted of course content and syllabus design and advisory and consultancy service to the officers and members of the association.

The project started in July 1977 and was completed in December.

Survey of Small-Scale Industries in Leyte and Preinvestment Study for Leyte.

This is a joint project of the UP College Tacloban and the UP/ISSI-PEO. Begun in the third quarter of 1977, the study is expected to be completed in February 1978. As of the beginning of the fourth quarter, a total of 43 entrepreneurs from the various industry sectors had been interviewed. Results of the study will be submitted to a financial institution, and will include a small-scale industry survey, a resource utilization survey, a list of priority industries, a list of potential industries, an incentive policy for rural small-scale industries, and several preinvestment studies.

Broadening of Area in Which Extension Services Are Provided

Despite the long distances and lengthy trips involved in serving all areas of the islands of Leyte and Samar, the pilot extension office was able to significantly broaden its coverage of Region VIII. This is particularly well illustrated in Table 3, which shows the geographic distribution of inquiries serviced during 1977.

Appropriate Technology

Advocating appropriate technology for the rural areas, the pilot extension office selects an impact project every year. Last year, a mechanical feed mixer was designed and fabricated to increase the feed mixing efficiency of a swine raiser in Jaro, Leyte. This design was disseminated to the other swine raisers in the region for possible adaptation; however, not a single firm took advantage of the offer.

This year, the following projects on adaptive technology were undertaken for two manufacturing industries in the region:

Soft-Drink Box Factory. A wooden cart was designed to transport materials around the manufacturing area. (See Figures 2 and 3.) This cart was designed to carry raw materials and waste materials to and from the workplace of the machine operators. Each unit will cost approximately ₱646.47 (\$67.00). The

Table 3

GEOGRAPHICAL DISTRIBUTION OF INQUIRIES SERVED, 1977

<u>Nature of Inquiry</u>	<u>Northern Leyte</u>	<u>Southern Leyte</u>	<u>Western Samar</u>	<u>Northern Samar</u>	<u>Eastern Samar</u>	<u>Subprov. Biliran</u>	<u>Total</u>
Concept of Small-Scale Industry	83	72	70	-	-	-	225
Marketing/ Dealership	68	1	2	1	-	-	72
Production/ Technical	10	5	4	1	1	-	21
Financial Mgt., Sources of Financing & Project Study	19	3	12	-	-	1	35
Inquiries about UP/ISSI-PEO Services	3	-	1	2	1	-	7
Statistical Data on Leyte	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total	184	81	89	4	2	1	361

Figure 2
WAGON-TYPE CART DESIGNED BY UP/ISSI-PEO
SIDE VIEW

SCALE: 1:10

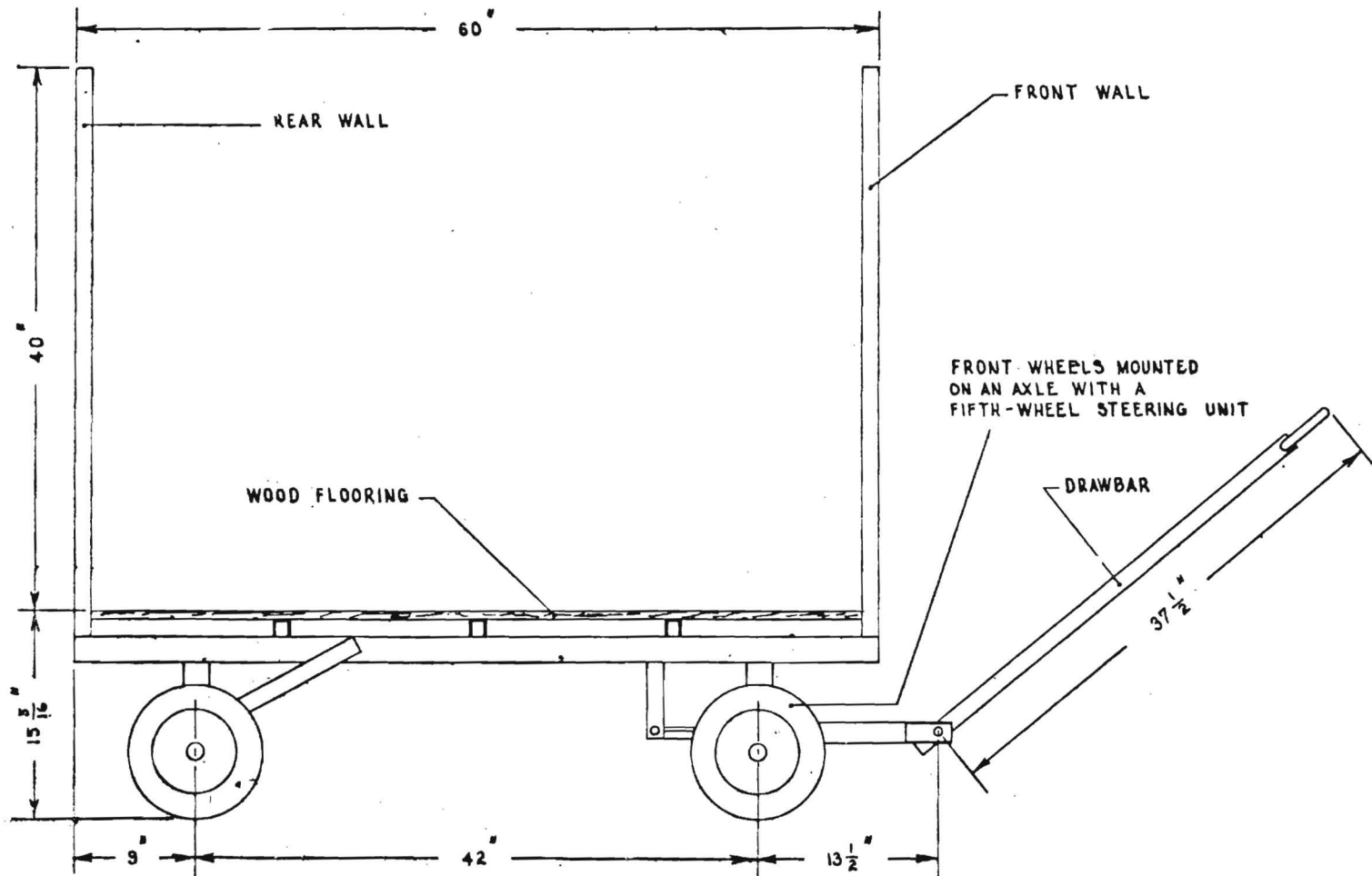
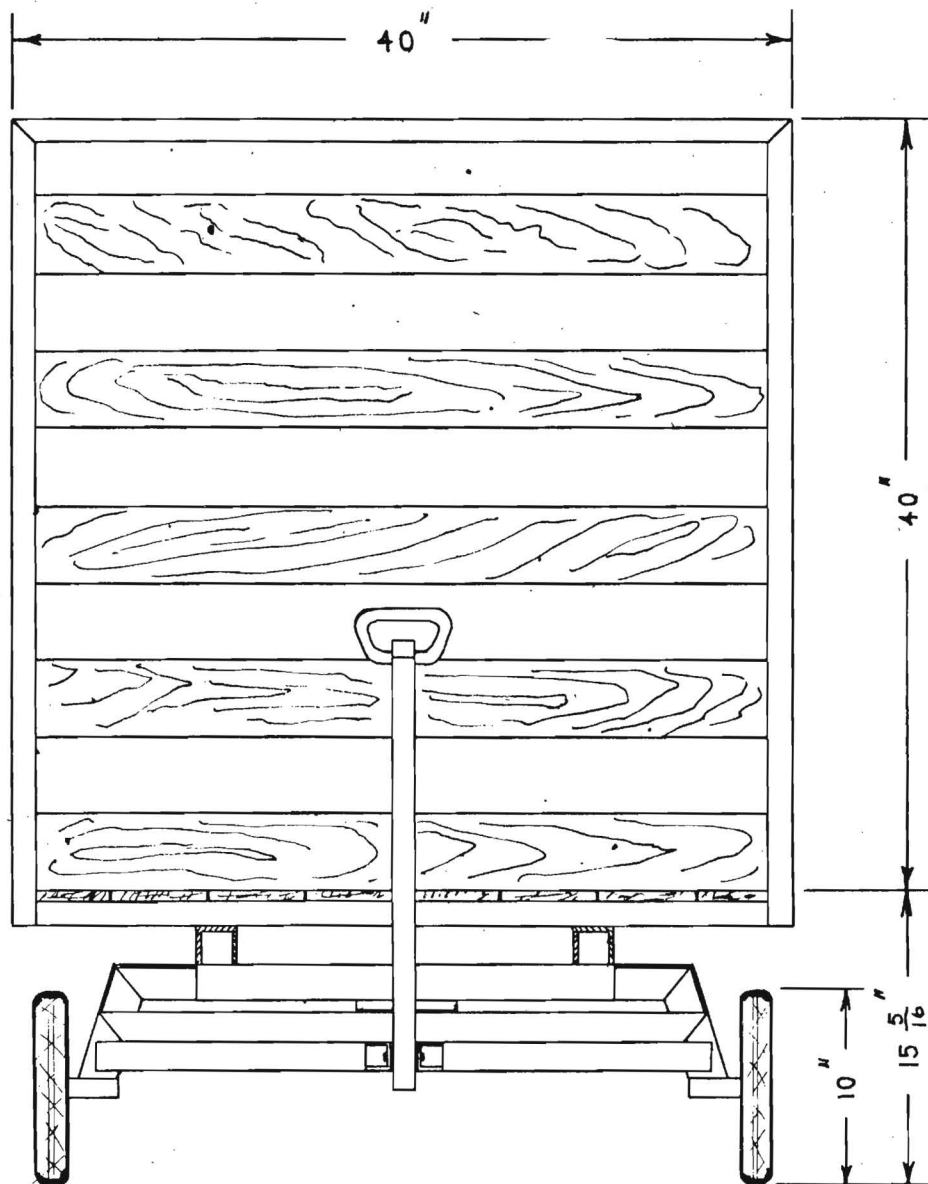


Figure 3
WAGON-TYPE CART DESIGNED BY UP/ISSI-PEO
FRONT VIEW

SCALE : 1 : 10



use of these carts is expected to decrease the unproductive time by about 50% in the band-saw operation, where materials clog the work area and prevent smooth operations. Although the design has been completed and the pathways for the carts have been cemented, the construction of the carts is held in abeyance pending release by the bank of funds intended for capital expenditures.

Furniture Shop. A 3-foot, 8-inch wood lathe, powered by a 1 1/2 HP motor, was designed and fabricated during the year. (See Figure 4.) The frame, spindle, tool rest, and tail stock are all made of steel bars and shafting steel. The spindle speed can be changed through a pair of step pulleys attached to the spindle and motor. The lathe uses a V-belt and has an adjustable tool rest. The machine costs approximately \$100 exclusive of the electric motor.

The decision to design and fabricate this machine was made as a result of the following considerations:

1. The shop owner could not afford to buy a commercial wood lathe.
2. It takes much time and money to order wood turnings from Cebu City, which is on a neighboring island.
3. Delivery of wood turnings is often delayed, causing delays in the delivery of finished goods.
4. There are several furniture shops in the region which could benefit from this low-cost design.

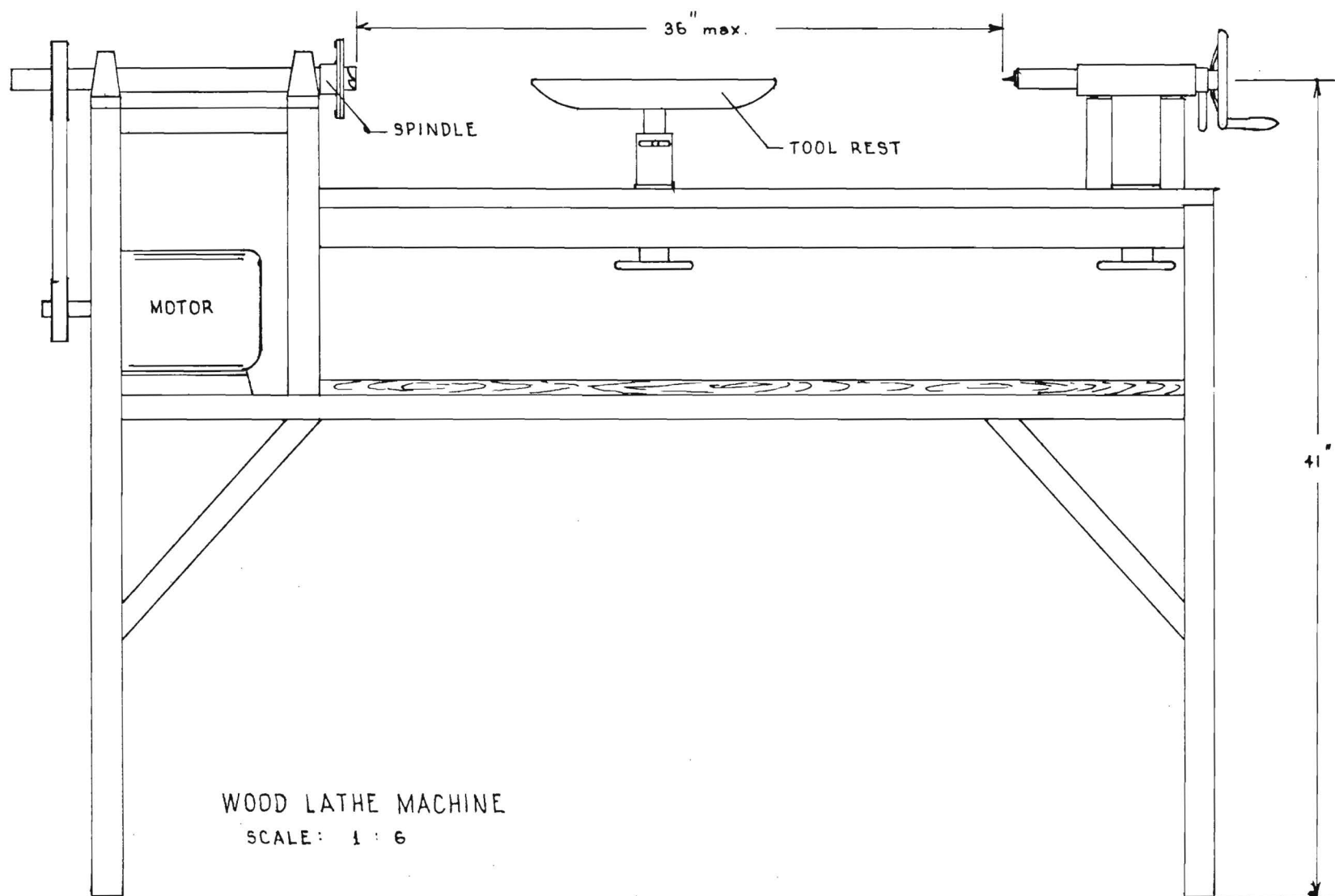
Through the advice and guidance of Dr. David Fyffe of Georgia Tech, preliminary investigations have been made to adapt an improved band-saw design for application in the furniture shops and soft-drink box factories in the region. The main feature of this band saw, which is about 80% wood, is that it stands on two posts instead of the usual four. This design reduces the downtime for changing blades, since only two adjustments are made instead of four. (The flywheel which is connected to the posts has to be adjusted every time a fresh blade is installed.) The design for this band saw will be finalized and a prototype will be fabricated early next year. Two manufacturing shops have already indicated an interest in utilizing this design.

Other Activities

Several other activities were carried out during 1977. These included audiovisual documentation, work toward organization of a second industrial

Figure 4

WOOD LATHE DESIGNED BY UP/ISSI-PEO



association, and completion of a survey of rural industry.

Two documentation projects were conducted, with black and white and colored photos and videotapes being produced of various projects. Mr. Mark W. Robinson, a U. S. Peace Corps volunteer, assisted Mr. Baldoria of the UP/ISSI staff with the first filming. The second was conducted by Mr. Baldoria and Ms. Edwina Ware of Georgia Tech.

In addition to helping organize the Tacloban Ironworks and Engineering Industries Association, as previously noted, the pilot extension office began an attempt to organize the furniture and woodcraft plants in Region VIII into a similar association. It brought Mr. Alberto L. Morales, National President of the Philippine Chamber of Furniture Industries, down to Tacloban to meet with interested entrepreneurs. Work on this project will continue into 1978.

Aware of the dearth of data on small industries in the region, the pilot extension office initiated field visits to gather employment and other basic data. Problems of small-scale industries in the rural areas also were identified and assessed. Problems that surfaced are itemized in Appendix 5.

It was determined as a result of these visits that small-scale industries in the region are mostly cottage industry. As defined by the Commission on Small and Medium-Scale Industries (CSMI), cottage industries are home industries employing fewer than five workers, having a capitalization of less than ₱100,000, and in which the owner was actively engaged in production. Small-scale industries, on the other hand, are manufacturing or service industries with five to 100 workers and ₱100,000 to ₱1 million capitalization. Out of the 273 entrepreneurs contacted, 201 gave information on their employment level. Distribution of employment data by province is shown in Appendix 6.

GEORGIA INSTITUTE OF TECHNOLOGY
ACTIVITIES DURING PROGRAM YEAR II

The activities of the Georgia Institute of Technology for the program year were initiated by Ms. Kay Powell on March 2, 1977, when she visited the Philippines to provide on-site assistance in the project. This visit was later followed by those of Mr. Ross Hammond, Dr. David E. Fyffe, Mr. Donald E. Lodge, and Ms. Edwina Ware.

The GIT program of work had been set up by Mr. Donald E. Lodge, in consultation with the Counterpart Project Director, Mr. Paterno V. Vilorio, in November 1977. Different OIP staff members were tentatively assigned to carry out individual tasks, and the Project Plan for Year II was prepared, as shown in Figure 5. Each staff member was funded by this project or by other AID-sponsored programs. A brief summary of the individual activities follows in chronological order.

March 2-April 1, 1977 (Ms. Kay Powell)

This member of the GIT staff had the responsibility of assisting the pilot extension office in the establishment of an economic development program for Region VIII. She also aided the staff in the establishment of a record-keeping system for technical assistance cases and a daily activities log. Ms. Powell lectured on how to present a venture proposal to a bank for a loan on March 20 during the course of the Entrepreneur Development Program which was held at Maasin, Leyte.

June 28, 1977 (Mr. Ross W. Hammond)

Mr. Hammond provided administrative guidance and counseling to the Counterpart Project Director and his staff.

August 5-29, 1977 (Dr. David E. Fyffe)

The primary purpose of Dr. Fyffe's visit was to provide consultation and training to the pilot extension office staff. During his stay, he presented two seminars on extension services in the United States and a seminar on operations research, held discussions with various UP/ISSI administrators, assisted in making a cost analysis of the use of a gasoline-powered generator and several electric motors versus a gasoline engine and common line shaft in a

Project No. B-463, Year II
 Project Title SIG-UP/ISSI
 Project Director Nelson C. Wall

PROJECT PLAN

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Start Year II (January 10, 1977)												
Project Organization and Planning												
On-Site Assistance - K. Powell												
Industrial Extension Service												
Small Industry Research												
Training Workshops - Seminars												
On-Site Assistance - Undesignated												
On-Site Assistance - D. Lodge												
Audiovisual Documentation												
Staff Training (EDL)												
Data Support (EDL)												
Quarterly Reports												
Annual Report												

LEGEND

furniture plant, and worked on the design for an idler pulley arrangement for a common line shaft for another wood products plant and on the design for a simplified band saw.

September 6-10, 1977 (Mr. Paterno V. Vilorio)

Mr. Vilorio represented UP/ISSI at the Conference on Issues Related to Small Industries Appropriate Technologies, which was held in Guatemala City under another AID contract. Ten LDCs were represented at this meeting, including participants from four institutions working with OIP/GIT under the Small Industry Grant program and six other OIP counterpart institutions.

September 11-14, 1977 (Mr. Paterno V. Vilorio)

Mr. Vilorio visited OIP in Atlanta, Georgia, where he met with OIP staff and other high officials of GIT. He discussed the small-scale industry program at UP/ISSI, future cooperative efforts between the two institutions, and possible funded contract work for UP/ISSI and GIT in the Philippines.

November 2-13, 1977 (Mr. Donald E. Lodge)

This was the last on-site contact by GIT for Program Year II. Mr. Lodge was in the Philippines to supervise the audiovisual documentation of this program and to work with Mr. Alvizo, officer in charge of the pilot extension office, on data for the annual report. He also conferred with Mr. Paterno Vilorio, Counterpart Project Director, and Mrs. Sonia Aquino, Counterpart Project Coordinator, regarding the Year III program.

November 5-13, 1977 (Ms. Edwina Ware)

Ms. Ware traveled to the Philippines to assist UP/ISSI staff in the preparation of Year II audiovisual documentation of the Small Industry Grant program.

November 7-25, 1977 (Counterpart Training)

Mr. Teodulo C. Gotico, Research Assistant, pilot extension office, UP/ISSI, received two and one-half weeks of training in industrial extension at the OIP offices in Atlanta and at the GIT industrial extension office in Augusta, Georgia.

The training program, designed by the OIP staff, incorporated various training modes, including classroom activities, on-the-job situations, guidance and counseling, industrial tours, and general small industry exposure within the state of Georgia. The training program also provided information regarding current solar energy research at Georgia Tech. (See Appendix 4.)

RESULTS AND CONCLUSIONS

The second year of this small-scale industry development program has had many positive results, a number of which were briefly listed in the Introduction of this annual report. In this section, the major accomplishments will be highlighted:

1. Twenty-two firms received technical assistance during the year. Eleven of these firms were carried over from Year I; the remaining 11 were new cases opened during 1977. As a result of this assistance, 47 new jobs became available.

2. A new skills training program in automotive and machine shop theory and practice graduated 136 persons during Year II. This training program was the result of the formation of the Tacloban Ironworks and Engineering Industries Association, a trade group which the pilot extension office was instrumental in organizing earlier in the year. The extension office also assisted in planning the course content and designing the syllabus for this highly successful training program.

3. Work was begun toward the organization of a similar association for woodworking firms.

4. A seminar for potential entrepreneurs was held, with 16 persons graduating. The extension office will stay in touch with these graduates in order to provide assistance as they establish their businesses.

5. The pilot extension office embarked on a program of industrial development during 1977. Project feasibility studies were conducted and a manufacturing directory was compiled.

6. Formal arrangements were completed with the Divine Word University allowing the pilot extension office staff to use DWU's machine shop for the fabrication of machinery.

7. Several projects involving appropriate technology were designed and have been or will be fabricated and tested. A wood lathe was designed, built, and put into use in a wooden furniture plant during Year II. A materials handling cart was designed for use in a wooden products plant. A number of these carts will be built and put into use upon receipt of a loan which is now in process. An improved band-saw design was completed in 1977 and will be fabricated and tested early in 1978.

8. The audiovisual documentation for Year II was completed.

9. A survey was conducted of 273 small-scale businesses located in Region VIII to determine the problems which these firms face. These data will aid the extension office in designing future programs of work.

10. The staff of the pilot extension office received further training during Year II. Two staff members attended a two-month industrial extension course at the University of the Philippines and one staff member received two and one-half weeks of training given in Georgia by GIT.

11. The pilot extension office cooperated with nine private and government agencies and ten colleges and universities in the conduct of a seminar on teaching entrepreneurship at the college level. The program saw 23 faculty members complete the seminar. All 23 will be teaching courses in entrepreneurship on Region VIII college and university campuses.

12. Work was begun on the design of a training program concerning fermentative food processing and food preservation. Viable projects will be identified (the pilot extension office began work on this during 1977). In addition, individuals will be trained, and assistance will be provided to enable them to establish businesses involved in food processing or food preservation.

During the year, not only have these items been accomplished, but also additional small-scale industries in the target area have been provided with assistance which previously was available to them only from the Manila metropolitan area.

APPENDICES

Appendix 1

ECONOMIC DEVELOPMENT PROGRAM FOR EASTERN VISAYAS (REGION VIII), PHILIPPINES

- I. Raw Materials Inventory
 1. Natural materials (amount, quality, availability)
 2. By-products and waste products of existing industry
 3. Fuels
- II. Existing Industry as:
 1. User
 2. Supplier
 3. Support

(During this survey get information on employment, wages, taxes, capital investment, etc., to prepare a manufacturing directory for the Eastern Visayas Region.)
- III. Labor Force
 1. Numbers, sex, age
 2. Skills/trainability
 3. Mobility, current attitudes and work patterns
- IV. Training Available and Needed
- V. Market

Demand locally and regionally for products and services. Then look to the national and international market demands
- VI. Determine type industry and services the region can support based on the analysis of the above research data
- VII. Research and list national government incentives for industry
- VIII. Determine local incentives which can be offered new and expanding industry
 1. Make recommendations to local authorities
 2. Prepare a program for implementation of these incentives
 3. Work closely with and coordinate through the national regulatory agencies

IX. Promotion

1. Create awareness of need for jobs among community leaders
 - a. Politicians
 - b. Business people (banks, lawyers, influential merchants, civic organizations, academic community, etc.)
 - c. Utility companies
 - d. Other government agencies
 - e. Other industries
 - f. Infrastructure (transportation, communication, etc.)
 - g. Government and private agencies in Manila (especially the Board of Investments)
2. Selling Points
 - a. New and expanded industry means:
 1. More jobs
 2. More income for residents
 3. Increased tax base for government and ability to improve city services through capital investment, ongoing taxes, increased income tax from the residents, and sales tax increase
 4. Increased buying power for the basics (food, clothing, shelter) and for other goods and services
 - b. Provides jobs to stem outmigration of trained workers and make the community more stable
3. Get local incentives approved (local meaning regional, provincial, and city)

X. Sites/Districts for Industry

1. Identify the best sites based on
 - a. Topography
 - b. Road network
 - c. Available utilities
 - d. Proximity to labor supply
 - e. Cost of land
 - f. Proper location based on planning and zoning

Appendix 2
PROFILE OF PARTICIPANTS IN
ENTREPRENEURSHIP SEMINAR

<u>Name/Educational Attainment</u>	<u>Position</u>	<u>Company/Office Address</u>	<u>Residence Address</u>	<u>Project</u>
1. ABERASTURI, Domingo F. BSME, CIT	Bulk Plant Supervisor	Mobil Bulk Plant Malitbog, So. Leyte	Malitbog, So. Leyte	Warehousing
2. ALCANTARA, Elena T. College undergrad.	Member	Samahang Nayon Macrohon, So. Leyte	Rizal Street Macrohon, So. Leyte	Hollow Blocks (proposed)
3. GLORIA, Angel B.	--	--	Ichon, Macrohon So. Leyte	Cottage Industry: Handicraft
4. JUNIO, Rodulfo M. BS, Southwestern University	Sangguniang Bayan Secretary	Malitbog, So. Leyte	San Vicente St., Malitbog, So. Leyte	Warehousing
5. LEONOR, Manuel C. College undergrad.	Barangay Councilman	Abgao, Maasin So. Leyte	San Vicente Abgao, Maasin	Coco-Charcoal (proposed)
6. OLO, Lolita C. NGH School of Nursing (Manila)	Farm Manager	Sogod, So. Leyte	Sogod, So. Leyte	Coco By-product (proposed)
7. ORTIZ, Narcisa P. 4th yr. high school	Manager	Ortiz Fibercrafts, Bo. Bantig, San Rafael, Maasin So. Leyte	San Rafael Maasin, So. Leyte	Fibercraft
8. SALA, Ismael C. College undergrad. USC	--	--	Malitbog, So. Leyte	Hollow Blocks (proposed)
9. SIA, Felipe R. College undergrad. CIT	Asst. Manager	Golden Gate Bakery P. Burgos, So. Leyte	Real St., Padre Burgos, So. Leyte	Fish Culture (proposed)
10. SIA, Juana R.	Owner/Manager	Golden Gate Bakery P. Burgos, So. Leyte	Real St., Padre Burgos, So. Leyte	Salt Making (proposed)
11. SIAO, Romeo B.M. BSChE (4th yr.)	Municipal Project Officer	Municipal Development Staff, Municipality of Padre Burgos So. Leyte	Lungsodaan Street Padre Burgos So. Leyte	Piggery
12. SIEGA, Teodela T. A.A., Tomas Oppus Community College	Underwriter	The Insular Life Assurance Co., Ltd.	No. 6 San Antonio St., Sogod, So. Leyte	Ice Plant/Cold Storage (proposed)
13. YNIGUEZ, Gabriel O. BSFS (Int'l. Relations) UP Political Theory (units), UP	President	Sabas Arastre Service Maasin, So. Leyte	Pugaling, Maasin, So. Leyte	Warehousing
14. SALA, Anatalio V.	--	--	Padre Burgos So. Leyte	Salt Making & Fishpond (prop.)
15. GAVIOLA, Angeiita	Owner/Manager	Gaviola's Fibercraft	San Rafael So. Leyte	Fibercraft
16. AMIT, Antonio L.	Supervisor	G.I.L Amit Furniture	73 R.K. Kang Leon St., Maasin So. Leyte	Furniture (expansion proposed)

Appendix 3

SUMMARY OF TECHNICAL ASSISTANCE CASES, 1977

Continuing Cases Begun Prior to 1977

<u>Case No.</u>	<u>Municipality</u>	<u>Product</u>
1	Tacloban City	Soy sauce
2	Jaro, Leyte	Swine
3	Palo, Leyte	Poultry feed and veterinary products
4	Pinamopoan, Leyte	Coconut shell charcoal
5	Tacloban City	Draperies and venetian blinds
6	Tacloban City	Rattan furniture
7	Jaro, Leyte	Copra oil
8	Tacloban City	Garments
9	Tacloban City	Fabricated steel products
10	Tacloban City	Soft-drink boxes
11	Tacloban City	Rattan furniture

New Cases During 1977

<u>Case No.</u>	<u>Municipality</u>	<u>Product</u>
12	Catarman, Northern Samar	Concrete block and tile
13	Sogod, Southern Leyte	Swine
14	Sogod, Southern Leyte	Ice and cold storage warehouse
15	San Rafael, Southern Leyte	Fibercraft bags, purses, and belts
16	Albuera, Leyte	Woodcraft products
17	Guinsorongan, Samar	Shellcraft products
18	Maasin, Southern Leyte	Furniture
19	Catbalogan, Samar	Wooden boxes
20	Bato, Leyte	Jeep bodies and side cars
21	Tacloban City, Leyte	Garments
22	Padre Burgos, Southern Leyte	Bakery

SUMMARY OF TECHNICAL ASSISTANCE CASES

CASE NO. 1

MAIN PRODUCT: SOY SAUCE

Municipality: Tacloban City

Brief Description of Problem

The company sought financing for the purchase of equipment needed to improve the efficiency and cleanliness of its operation.

Applied Solution

The owner found that, due to his lack of the required collateral, he was unable to get a loan to finance the purchase of the equipment which had been designed by the extension office staff. He dropped his expansion plans, and this project was discontinued.

CASE NO. 2

MAIN PRODUCT: SWINE

Municipality: Jaro, Leyte

Brief Description of Problem

The company needed money to expand its operation.

Applied Solution

The pilot extension office arranged for the company to work with the Medium and Small Industry Coordinated Action Program Team, which provides access to funds needed for expansion.

CASE NO. 3

MAIN PRODUCT: POULTRY FEED AND
VETERINARY PRODUCTS

Municipality: Palo, Leyte

Brief Description of Problem

In mid-1977, the owner switched his business from raising poultry to supplying poultry feeds and veterinary products to other poultry growers. The owner had no bookkeeping experience and had difficulty in accounting for his operation. He also was seeking a new source for baby chicks.

CASE NO. 3 (Continued)

Applied Solution

The pilot extension officer assisted the owner in setting up bookkeeping and accounting procedures and provided continuing accounting assistance to him during the year. The result of this assistance is that the owner now has better knowledge of his financial situation. He was also given information on a new source for baby chicks.

CASE NO. 4

MAIN PRODUCT: COCONUT SHELL CHARCOAL

Municipality: Pinamopoan, Leyte

Brief Description of Problem

This firm was unable to sell its charcoal at a price high enough to sustain its manufacturing operations.

Applied Solution

The pilot extension office team assisted the manufacturer to determine the cost of producing charcoal, and then assisted the manufacturer to deliver samples to charcoal buyers located in other cities. The samples of charcoal were of such low quality that the manufacturer decided to stop producing charcoal and go into the garment business. The extension office advised him about the garment business and located a garment project available for lease. At year's end he was considering this project.

CASE NO. 5

MAIN PRODUCT: DRAPERIES AND VENETIAN
BLINDS

Municipality: Tacloban City

Brief Description of Problem

The firm was concerned with methods of preservation and treatment of its raw materials.

CASE NO. 5 (Continued)

Applied Solution

The pilot extension office team provided further instructions on the care and treatment of rattan and bamboo materials to prevent spoilage of raw materials and to improve the quality of the finished product.

CASE NO. 6

MAIN PRODUCT: RATTAN FURNITURE

Municipality: Tacloban City

Brief Description of Problem

This party was interested in the export market for rattan furniture.

Applied Solution

The pilot extension office team provided further instructions on the care and treatment of rattan and bamboo materials to prevent spoilage of raw materials and to improve the quality of the finished product.

CASE NO. 7

MAIN PRODUCT: COPRA OIL

Municipality: Jaro, Leyte

Brief Description of Problem

This man sought money with which to build a 25-ton-per-day oil mill to process the coconuts produced on his family farm. Using an economic study previously prepared by the extension office, he had been unable to obtain a loan on a personal basis.

Applied Solution

Using the project proposal previously prepared, a staff member of the pilot extension office accompanied this individual to a meeting with an intermediary bank and loan broker in Manila. At this meeting he was assisted in the presentation of the proposal and his resources. He subsequently received a commitment for a loan with a foreign financing company, through its local broker, although he must still get a Philippine bank to act as an intermediary in handling the funds.

CASE NO. 8

MAIN PRODUCT: GARMENTS FOR LADIES,
GIRLS AND BOYS

Municipality: Tacloban City

Brief Description of Problem

This company faced foreclosure because of nonpayment of overdue loans. The firm had not achieved its sales projections.

Applied Solution

The pilot extension office staff studied this case and learned that the company had applied borrowed operating funds to pay for capital costs of building and equipment. The company also applied too high a markup on direct costs, resulting in noncompetitive prices. The pilot extension office assisted the owner in avoiding foreclosure by negotiating with the banks. This provided the owner time to raise additional working capital, which was accomplished.

CASE NO. 9

MAIN PRODUCT: FABRICATED STEEL PRODUCTS--
GRILLES, WINDOWS, GATES,
FENCES, TRUSSES

Municipality: Tacloban City

Brief Description of Problem

This company was unable to fabricate all the products it could sell because the shop was deficient in basic metalworking tools and equipment. To get a bank loan to purchase this equipment, the company was required to submit a project proposal to the bank.

Applied Solution

The pilot extension office staff, with assistance from the UP/ISSI staff in Manila, prepared the project proposal, which was submitted to the bank for its consideration. The bank determined that the shop has problems regarding the lease on the site. The result is that the loan has been temporarily delayed until the cloud on the leasing contract has been removed.

CASE NO. 10

MAIN PRODUCT: WOODEN SOFT-DRINK BOX
COMPONENTS

Municipality: Tacloban City

Brief Description of Problem

This plant was unable to meet its production requirements, in part due to work flow and materials-handling problems and excessive downtime of band saws and swing saws.

Applied Solution

A pilot extension office study identified the specific causes of the problems. On the basis of this study, the owners were advised to assign an assistant to the trim saw operator to handle incoming materials, waste and processed materials, and to provide sharpened band-saw blades for immediate replacement of dulled blades. It was also suggested that two unskilled workers be used to sharpen the saw blades. The pilot extension office staff designed transport carts to carry raw materials to and waste materials from the workplace of the machine operators. The extension office, assisted by GIT, also designed a belt shifting mechanism to enable any one of the four band saws to be stopped independently when repairs were needed on a single saw.

The pilot extension office staff prepared a proposal for a loan with which to pay for the needed improvements and assisted the company in submitting it to a bank. While the loan was under consideration, the company accepted the recommendation concerning the sharpening of saw blades, creating two new jobs. This is expected to increase each band-saw operator's output by 30%.

CASE NO. 11

MAIN PRODUCT: RATTAN FURNITURE

Municipality: Tacloban City

Brief Description of Problem

The City of Tacloban planned to build a barangay road through the middle of the existing plant. The company did not have enough money to move to a new site, nor did they have a site in mind. An additional problem was that insects were infesting their stock of rattan poles.

CASE NO. 11 (Continued)

Applied Solution

The pilot extension office team located a new site in an industrial estate and provided technical and market studies concerning the plant expansion. The pilot extension office also experimented with several bleaching processes to protect rattan from insects and provided the manufacturer with technical information on the preservation of rattan.

CASE NO. 12

MAIN PRODUCT: CONCRETE BLOCK AND TILE

Municipality: Catarman, Northern Samar

Brief Description of Problem

The owner needed money to expand his operation into the manufacture of red bricks and had asked the pilot extension office to prepare a project feasibility study for him.

Applied Solution

The UP/ISSI team directed the owner to the Medium and Small Industry Coordinated Action Program team which is responsible for performing feasibility studies.

CASE NO. 13

MAIN PRODUCT: SWINE

Municipality: Sogod, Southern Leyte

Brief Description of Problem

The owner of 100 hectares of land needed advice as to whether to go into swine production or to establish a rice mill.

Applied Solution

The pilot extension office staff gathered engineering and cost information on rice mills and advised the owner of the most economical rice mill, based on the prices and specifications quoted. The staff also provided information concerning the swine growing business. The staff will continue to assist the owner, who has decided to go into swine production.

CASE NO. 14

MAIN PRODUCT: ICE AND COLD STORAGE
WAREHOUSE

Municipality: Sogod, Southern Leyte

Brief Description of Problem

This individual wanted to establish an ice production plant with a cold storage facility. She needed assistance in acquiring loans from a bank.

Applied Solution

The pilot extension office endorsed the project and assisted the company in getting a loan from the bank. The staff assisted her in setting up a bookkeeping system. The machinery was delivered in October, and when fully operating, it will provide new jobs for eight people.

CASE NO. 15

MAIN PRODUCT: FIBERCRAFT BAGS, PURSES,
AND BELTS

Municipality: San Rafael, Southern Leyte

Brief Description of Problem

This company lacked market outlets and was having collection problems. It also needed a way to utilize rattan handle rejects and advice on how to bleach rattan.

Applied Solution

The pilot extension office staff brought in an export producer and handicraft buyer, with whom the company was able to negotiate a permanent marketing arrangement. This should expand sales and improve the collection problem.

The staff also suggested that the rejected rattan handles be salvaged by covering them with woven fiber. The staff sought and acquired information on rattan bleaching processes, but none proved satisfactory for this specific problem. Work will continue on this problem.

CASE NO. 16

MAIN PRODUCT: WOODCRAFT--TRAYS,
DINNERWARE, AND DECORATIVE
ITEMS

Municipality: Albuera, Leyte

Brief Description of Problem

A recently imposed national government regulation banned the use of lumber from certain species of trees, seriously affecting the output and employment level of this company. This ban affected the entire woodcraft industry because this particular species of wood is necessary to industry.

Applied Solution

The pilot extension office staff organized a meeting with representatives of the National Cottage Industries Development Authority-Eastern Visayas Regional Institute, the Bureau of Forest Development, and the National Economic Development Authority. The staff prepared a position paper on raw material requirements of furniture manufacturers in Region VIII. The intent of the paper was to demonstrate the plight of the woodcraft industry caused by the timber ban and to seek relief from the authorities for the users of the banned timber. The paper was presented to the Regional Development Council, which endorsed the paper and forwarded the request to the Bureau of Forest Development.

CASE NO. 17

MAIN PRODUCT: SHELLCRAFT ITEMS:
HANDCRAFTED WALL MIRRORS

Municipality: Guinsorongan, Samar

Brief Description of Problem

Since production was on a custom order basis which limited its market, this business operated on an erratic scale. The owner wanted to mass-produce small items and possibly to expand his operations to go into bamboo or rattan preservation and into the canning of abalone and crab meat.

Applied Solution

The pilot extension office team assisted the company in contacting buyers in Manila, export traders in Manila and Cebu City, and a Belgian marketing

CASE NO. 17 (Continued)

Applied Solution (Continued)

firm. Mirror samples were sent to Brussels. These actions resulted in an order from a big buyer in Manila and the display of products at the Philippine Trade Houses abroad.

The staff gave the owner technical information about bamboo and rattan preservation. It suggested that the owner could receive assistance concerning the canning of crab meat and abalone from the Medium and Small Industry Coordinated Action Program team in Samar.

CASE NO. 18

MAIN PRODUCT: FURNITURE

Municipality: Maasin, Southern Leyte

Brief Description of Problem

The owner needed capital to expand his operation, which had outgrown its present facilities. Productivity was at a low level because nearly all operations were performed manually and the plant had a very poor layout. The owner stated a need to mechanize his plant. He planned to do this by using an internal combustion engine connected to various machines by a drive shaft and belts, but lacked the ability to design this mechanism.

Applied Solution

The pilot extension office staff briefed the owner on the lending requirements of the Development Bank of the Philippines and advised him on loan application procedures. They also suggested the acquisition of a 3/4-inch band saw. The staff provided suggestions for an improved plant layout, which the owner has adopted. The cost of providing power to the proposed machines by the use of a gasoline-powered generator and electric motors at each work station was compared with the cost of using a gasoline-powered engine and a single drive shaft to power all the machines.

The owner followed the instructions of the extension team and has begun to complete the loan application forms. He also agreed to adopt the recommendations for installing a band saw. Work continues by the staff on the design of the drive mechanism.

CASE NO. 19

MAIN PRODUCT: WOODEN BOXES

Municipality: Catbalogan, Samar

Brief Description of Problem

This company was being charged nonindustrial rates for electricity, which increased the cost of operations.

Applied Solution

A letter was written to the chairman of the board of the power authority to request that the industrial rate be extended to small-scale industry. The authority responded by writing that it would consider this matter as soon as its new generators were installed, late in 1977.

CASE NO. 20

MAIN PRODUCT: JEEP BODIES AND SIDE CARS

Municipality: Bato, Leyte

Brief Description of Problem

The company was so successful that it was unable to cope with job orders. The owner wanted to expand his business, but lacked working capital for the purchase of additional machinery, buildings, equipment, and inventories.

Applied Solution

The staff provided information on the financing program of the Development Bank of the Philippines and advised the owner regarding the requirements of the DBP. However, the owner was unable to provide 50% collateral. The project was closed in late 1977.

CASE NO. 21

MAIN PRODUCT: LADIES' AND MEN'S GARMENTS

Municipality: Tacloban City

Brief Description of Problem

This newly formed company was assisted in its organization by the pilot extension office staff, with help from the UP/ISSI staff. A feasibility study was prepared, and help was provided the company in securing a loan from the

CASE NO. 21 (Continued)

Brief Description of Problem (Continued)

bank. However, the firm was unable to generate enough sales to maintain full manufacturing operations and therefore had to produce garments on an order basis.

Applied Solution

The staff advised the company to increase its sales by advertising on the radio and in the local newspaper. They also suggested that the name of the shop should appear on its shopping bags, and samples of paper shopping bags from Japan were shown to the owner.

CASE NO. 22

MAIN PRODUCT: BAKERY

Municipality: Padre Burgos, Southern Leyte

Brief Description of Problem

This well-established bakery needed additional money for improvements, repairs, and operating capital.

Applied Solution

The staff introduced the owner to the branch manager of the Surigao City Branch of the Development Bank of the Philippines. They will follow up the firm's loan application with the bank. The bank was processing the loan at year's end. The pilot extension office will further assist as necessary in the marketing aspects of this business.

Appendix 4
INDUSTRIAL EXTENSION TRAINING PROGRAM FOR
MR. GOTICO, UP/ISSI
NOVEMBER 7-25, 1977

<u>Date</u>	<u>Time</u>	<u>Lecturer</u>	<u>Subject</u>	<u>Place</u>
11/7	9:00 am - 10:00 am	Hammond, R.	Welcome, OIP	Atlanta
	10:00 am - 11:00 am	Johnston, R.	Program of work - Plant visit requests of participants	Atlanta
	1:00 pm - 2:00 pm	Johnston, R.	Tour OIP and Basic Data	Atlanta
	2:00 pm - 4:00 pm	Johnston, R.	Tour Georgia Tech campus	Atlanta
11/8	9:00 am - 10:00 am	Lewis, J.	Needs of the Small and Medium Business	Atlanta
	10:00 am - 11:00 am	Johnston, R.	Guidelines for Industrial Extension Personnel	Atlanta
	1:00 pm - 2:00 pm	Hammond, R.	An Approach to Furnishing Industrial Extension Service to SS Industry	Atlanta
	2:00 pm - 3:00 pm	Kaatz, J.	Sources of Credit for SS Industry in the LDC	Atlanta
11/9	9:00 am - 10:00 am	Davis, L.H.	Industrial Extension at FESSC	Atlanta
	10:00 am - 11:00 am	Potts, P.	Water Pump Manufacturing in Central America by Small-Scale Industry	Atlanta
	2:00 pm - 4:00 pm	Moh, K.	Solar Stills and Solar Energy at Georgia Tech - Tour of Facilities	Atlanta
11/10	9:00 am - 10:00 am	Johnston, R.	Role of Information in Industrial Extension	Atlanta
	10:00 am - 11:00 am	Auciello, K.	Use of DIALOG in Industrial Extension Market Research	Atlanta
	1:00 pm - 3:00 pm	Auciello, K.	Laboratory - Using DIALOG	Atlanta
11/11	8:00 am - 4:00 pm	Johnston, R.	Drive to University of Georgia - Meet Dr. Lancaster at 11:00 am	Athens
		Lancaster, J.	Program Building in Extension Service	Athens
11/14	9:00 am - 12:00 noon	Junk, R.	Drive to Augusta Branch Office	Augusta
	12:00 noon - 5:00 pm		Observe technical assistance work - Augusta Foundry	Augusta
11/15	All day		Observe technical assistance work	Augusta
11/16	All day		Observe technical assistance work	Augusta
11/17	All day		Observe technical assistance work	Augusta
11/18	9:00 am - 12:00 noon		Observe technical assistance work	Augusta
	12:00 noon - 5:00 pm		Return to Atlanta	Atlanta
11/21	All day	Moh, K.	Visits to industry	Atlanta
11/22	All day	Moh, K.	Visits to industry	Atlanta
11/23	All day	Moh, K.	Visits to industry	Atlanta
11/24	HOLIDAY-THANKSGIVING			
11/25	Individual research - to be determined			

Appendix 5
PROBLEMS OF RURAL SMALL-SCALE INDUSTRIES
BY INDUSTRY GROUP, REGION VIII

	<u>Problem</u>	<u>No. Reporting</u>
A.	<u>Abaca Processing</u>	
1.	Slow transmittal of funds from buyers in Manila and/or Cebu to Southern Leyte	1
2.	Recruitment of employee within Southern Leyte	1
B.	<u>Bakery</u>	
1.	Lack of capital to improve building, acquire new machinery and purchase additional delivery truck	1
2.	Financial management know-how is poor	1
C.	<u>Bamboocraft/Rattancraft</u>	
1.	Lack of innovative designs	1
2.	Marketing problem	1
3.	Lack of capital for expansion	1
4.	Lack of knowledge on bleaching of rattan	1
5.	Bamboo and rattan are attacked by molds and bores	1
D.	<u>Buricraft (chairs and others)</u>	
1.	Lacks capital but isn't interested in borrowing from bank	1
2.	Marketing problems	1
E.	<u>Ceramics, Hollow Block, Concrete Products</u>	
1.	Poor quality control	1
2.	Standards are not known	1
3.	Does not know whether clay deposits in his area are of commercial quantities	1
4.	NACIDA does not give assistance	1
5.	Most workers are not from the place	1
6.	There is no production when it is raining	1
7.	Rising prices of clay	1

<u>Problem</u>	<u>No. Reporting</u>
8. Does not have sufficient market to absorb present production	1
9. Market potential is not known	1
10. Lacks capital for machinery	1
11. Lacks raw material (marble)	1
 E. <u>Charcoal Making</u>	
1. Lack of capital	2
2. Use of funds	1
3. Marketing problems	1
4. Quality control	1
 F. <u>Duck and Goose Raising</u>	
1. Lack of capital	1
 G. <u>Furniture and Fixtures, Woodcraft, Wood Processing</u>	
1. Lack of capital	17
2. Lack of raw materials; supply of lumber is scarce and timber ban imposed by the BFD restricts timber cutting	16
3. Lack of skilled workers to manufacture rattan/wood furniture	3
4. Does not have project study	3
5. Needs design for band saw	2
6. Surface/wood finishing is poor	2
7. Needs designs for rattan/wood furniture	2
8. Needs additional machinery to improve productivity	2
9. Lacks collateral, even if financing is available	1
10. Antiquated manufacturing technology	1
11. No electricity during daytime	1
12. Poor plant layout	1
13. Poor carving	1
14. Checking accounts	1
15. High building rental	1
16. No provision for management succession	1
17. Marketing problems	1

<u>Problem</u>	<u>No. Reporting</u>
18. Workers' absenteeism	1
19. Payment of workers' salaries	1
20. Low production output	1
21. Poor materials handling	1
22. Poor waste disposal system	1
23. Increased price of coconut husk for upholstery	1
24. Far source of lumber	1
25. Lacks capital but isn't interested in securing a loan	1
26. Government red tape in getting timber cutting permits	1
27. A government agency is trying to hinder progress of business	1
28. Government bank has not informed him of status of his loan	1
29. Market study had not been prepared by said bank	1
 H. <u>Food Processing</u>	
1. Lack of capital	1
2. High price of sugar	1
3. Stiff competition	1
4. Lack of market	1
 I. <u>Garments, Dressmaking, Tailoring</u>	
1. Lack of skilled manpower	2
2. Lack of capital	1
3. Lack of raw materials and supplies	1
4. Lack of bookkeeping knowledge	1
 J. <u>Ice Plant</u>	
1. Market not fully served	1
2. Delay in installation of machinery	1
3. Stiff competition	1
 K. <u>Knitting, Weaving</u>	
1. Lack of capital	1
2. Project study preparation	1

	<u>Problem</u>	<u>No. Reporting</u>
L.	<u>Machine Shops, Welding Shops, Automotive, Agri-Implements, Electrical Shops</u>	
1.	Lack of capital	22
2.	Workers' absenteeism	5
3.	Low supply of electric current	2
4.	Low productivity due to lack of machineries and equipment	2
5.	High price of raw materials used	2
6.	Improper safekeeping of tools	1
7.	No service vehicle	1
8.	Unhealthy competition	1
9.	Project study preparation	1
10.	Lacks capital for expansion but is not interested in bank loan	1
11.	Lacks tools	1
12.	Lack of site for expansion	1
13.	Few customers	1
M.	<u>Needlecraft</u>	
1.	Lack of capital	1
N.	<u>Handicraft (Bags)</u>	
1.	Lack of market	1
O.	<u>Fibercraft</u>	
1.	Marketing problems	1
2.	No knowledge of rattan bleaching	1
P.	<u>Hog/Swine Raising</u>	
1.	Inadequate supply of feed	1
2.	Inadequate supply of hogs	1
3.	Lack of capital	1

<u>Problem</u>	<u>No. Reporting</u>
Q. <u>Fishpond, Sugpo Culture, Hito Farming</u>	
1. No commercial quantity of sugpo fry	1
2. Lack of capital	1
R. <u>Poultry Raising</u>	
1. Shortage of poultry feed	1
2. Environmental problems (coercion, threat from an outsider)	1
S. <u>Rope Making</u>	
1. Lack of capital	2
T. <u>Shellcraft</u>	
1. Lack of market	1
2. Lack of financing	1
U. <u>Shoe Industry</u>	
1. Lack of capital	1
V. <u>Transportation</u>	
1. Financial viability is not known	1
W. <u>Tinsmithing/Blacksmithing</u>	
1. Lack of capital	2
2. Lack of market	1
3. Lack of raw materials	1
4. Lack of skilled manpower	1

Appendix 6
EMPLOYMENT LEVEL OF INDUSTRIES CONTACTED
BY PROVINCE, 1977

<u>Province</u>	<u>Less than 5</u>		<u>5-100</u>		<u>Total</u>	
	<u>No. of Firms</u>	<u>% of Total</u>	<u>No. of Firms</u>	<u>% of Total</u>	<u>No. of Firms</u>	<u>% of Total</u>
Northern Leyte	87	43.3	37	18.5	124	61.8
Southern Leyte	3	1.5	7	3.5	10	5.0
Western Samar	26	12.9	9	4.5	35	17.4
Northern Samar	8	4.0	3	1.5	11	5.5
Eastern Samar	17	8.5	2	0.9	19	9.4
Subprovince of Biliran	<u>2</u>	<u>0.9</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>0.9</u>
Total	143	71.1	58	28.9	201	100.0